

SixTen and Associates Mandate Reimbursement Services

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October 10, 2007

Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814



RE: Incorrect Reduction Claim
Health Fee Elimination
Fiscal Years: 2001-02, 2002-03, and 2003-04

Dear Ms. Higashi:

Enclosed is the original and two copies of the above referenced incorrect reduction claim for Sierra Joint Community College District.

SixTen and Associates has been appointed by the District as its representative for this matter and all interested parties should direct their inquiries to me, with a copy as follows:

Joyce Lopes, Director of Finance
Sierra Joint Community College District
5000 Rocklin Road
Rocklin, CA 95677-3397
Voice: 916-789-2658
Fax: 916-781-0455
E-Mail: jlopes@sierracollege.edu

Thank-you.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith B. Petersen".

Keith B. Petersen

COMMISSION ON STATE MANDATES

1. INCORRECT REDUCTION CLAIM TITLE

1/84 Health Fee Elimination

2. CLAIMANT INFORMATION

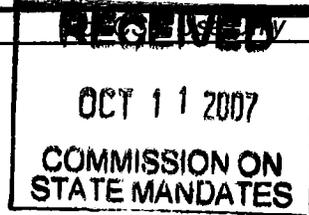
Sierra Joint Community College District
Joyce Lopes, Director of Finance
5000 Rocklin Road
Rocklin, CA 95677-3397
Voice: 916-789-2658
Fax: 916-781-0455
E-Mail: jlopes@sierracollege.edu

3. CLAIMANT REPRESENTATIVE INFORMATION

Claimant designates the following person to act as its sole representative in this incorrect reduction claim. All correspondence and communications regarding this claim shall be forwarded to this representative. Any change in representation must be authorized by the claimant in writing, and sent to the Commission on State Mandates.

Keith B. Petersen, President
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Filing Date:



IRC #: 07-4206-I-16

4. IDENTIFICATION OF STATUTES OR EXECUTIVE ORDERS

Statutes of 1984, Chapter 1, 2nd E.S., and Statutes of 1987, Chapter 1118

Education Code Section 76355

5. AMOUNT OF INCORRECT REDUCTION

<u>Fiscal Year</u>	<u>Amount of Reduction</u>
2001-02	\$165,104
2002-03	\$207,443
2003-04	\$118,299
TOTAL:	\$560,846

6. NOTICE OF INTENT NOT TO CONSOLIDATE

No, this claim is not being filed with the intent to consolidate on behalf of other claimants.

Sections 7-14 are attached as follows:

7. Written Detailed Narrative:	Pages 1 to 25
8. SCO Payment Letters:	Exhibit <u>A</u>
9. SCO Legal Counsel Letter:	Exhibit <u>B</u>
10. Parameters and Guidelines:	Exhibit <u>C</u>
11. Claiming Instructions:	Exhibit <u>D</u>
12. Final Audit Report:	Exhibit <u>E</u>
13. Chancellor's Letter	Exhibit <u>F</u>
14. Reimbursement Claims	Exhibit <u>G</u>

15. CLAIM CERTIFICATION

This claim alleges an incorrect reduction of a reimbursement claim filed with the State Controller's Office pursuant to Government Code section 17561. This incorrect reduction claim is filed pursuant to Government Code section 17551, subdivision (d). I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this incorrect reduction claim submission is true and complete to the best of my own knowledge or information or belief.

Joyce Lopes
Director of Finance

Signature

9/24/7
Date

1 Claim Prepared by:
2 Keith B. Petersen
3 SixTen and Associates
4 3841 North Freeway Blvd., Suite 170
5 Sacramento, California 95834
6 Voice: (916) 565-6104
7 Fax: (916) 564-6103

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BEFORE THE
COMMISSION ON STATE MANDATES

STATE OF CALIFORNIA

INCORRECT REDUCTION CLAIM OF:)

No. CSM _____

Chapter 1, Statutes of 1984, 2nd E.S.
Chapter 1118, Statutes of 1987

SIERRA JOINT
Community College District,

Education Code Section 76355

Claimant.

Health Fee Elimination

Annual Reimbursement Claims:

Fiscal Year 2001-02

Fiscal Year 2002-03

Fiscal Year 2003-04

INCORRECT REDUCTION CLAIM FILING

PART I. AUTHORITY FOR THE CLAIM

The Commission on State Mandates has the authority pursuant to Government Code Section 17551(d) to " . . . hear and decide upon a claim by a local agency or school district, filed on or after January 1, 1985, that the Controller has incorrectly reduced payments to the local agency or school district pursuant to paragraph (2) of

Incorrect Reduction Claim of Sierra Joint Community College District
1/84; Health Fee Elimination

1 subdivision (d) of Section 17561." Sierra Joint Community College District (hereafter
2 "District" or "Claimant") is a school district as defined in Government Code Section
3 17519. Title 2, CCR, Section 1185 (a), requires the claimant to file an incorrect
4 reduction claim with the Commission.

5 This incorrect reduction claim is timely filed. Title 2, CCR, Section 1185 (b),
6 requires incorrect reduction claims to be filed no later than three years following the
7 date of the Controller's remittance advice notifying the claimant of a reduction. The
8 Controller's final audit report was issued November 15, 2006. The audit report
9 constitutes a demand for repayment and adjudication of the claims. The Controller
10 then issued "results of review" letters for all three fiscal years on December 21, 2006,
11 which report the results of the audit and demand repayment of amounts due to the
12 state, which are attached as "Exhibit A."

13 There is no alternative dispute resolution process available from the Controller's
14 office. In response to an audit issued March 10, 2004, Foothill-De Anza Community
15 College attempted to utilize the informal audit review process established by the
16 Controller to resolve factual disputes. Foothill-De Anza was notified by the Controller's
17 legal counsel by letter of July 15, 2004 (attached as Exhibit "B"), that the Controller's
18 informal audit review process was not available for mandate audits and that the proper
19 forum was the Commission on State Mandates. In addition, the November 15, 2006,
20 transmittal letter for the final audit directs the District to file an incorrect reduction claim
21 if the District disagrees with the audit findings.

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1 PART II. SUMMARY OF THE CLAIM

2 The Controller conducted a field audit of the District's annual reimbursement
3 claims for costs of complying with the legislatively mandated Health Fee Elimination
4 Program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session, and Chapter 1118,
5 Statutes of 1987) for the period of July 1, 2001 through June 30, 2004. As a result of
6 the audit, the Controller determined that \$560,846 of the claimed costs are unallowable:

7	<u>Fiscal</u>	<u>Amount</u>	<u>Audit</u>	<u>SCO</u>	<u>Amount Due</u>
8	<u>Year</u>	<u>Claimed</u>	<u>Adjustment</u>	<u>Payments</u>	<u><State> District</u>
9	2001-02	\$180,817	\$165,104	\$180,817	<\$165,104>
10	2002-03	\$209,252	\$207,443	\$209,252	<\$207,443>
11	2003-04	<u>\$188,299</u>	<u>\$188,299</u>	<u>\$ 0</u>	<u>\$ 0</u>
12	Totals	\$578,368	\$560,846	\$390,069	<\$372,547>

13 Since the District has been partially paid for these claims, the audit report concludes
14 that District owes the state in the amount of \$372,547.

15 PART III. PREVIOUS INCORRECT REDUCTION CLAIMS

16 The District has not filed any previous incorrect reduction claims for this mandate
17 program. The District is not aware of any other incorrect reduction claims having been
18 adjudicated on the specific issues or subject matter raised by this incorrect reduction
19 claim.

20 PART IV. BASIS FOR REIMBURSEMENT

21 1. Mandate Legislation

22 Chapter 1, Statutes of 1984, 2nd Extraordinary Session, repealed Education

**Incorrect Reduction Claim of Sierra Joint Community College District
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1 Code Section 72246, which had authorized community college districts to charge a
2 student health services fee for the purpose of providing student health supervision and
3 services, direct and indirect medical and hospitalization services, and operation of
4 student health centers. This statute also required the scope of student health services
5 for which a community college district charged a fee during the 1983-84 fiscal year be
6 maintained at that level thereafter. The provisions of this statute were to automatically
7 repeal on December 31, 1987.

8 Chapter 1118, Statutes of 1987, amended Education Code Section 72246 to
9 require any community college district that provided student health services in 1986-87
10 to maintain student health services at that level each fiscal year thereafter.

11 Chapter 8, Statutes of 1993, Section 29, repealed Education Code Section
12 72246, effective April 15, 1993. Chapter 8, Statutes of 1993, Section 34, added
13 Education Code Section 76355¹, containing substantially the same provisions as former

¹ Education Code Section 76355, added by Chapter 8, Statutes of 1993, Section 34, effective April 15, 1993, as last amended by Chapter 758, Statutes of 1995, Section 2, to state:

“(a) The governing board of a district maintaining a community college may require community college students to pay a fee in the total amount of not more than ten dollars (\$10) for each semester, seven dollars (\$7) for summer school, seven dollars (\$7) for each intersession of at least four weeks, or seven dollars (\$7) for each quarter for health supervision and services, including direct or indirect medical and hospitalization services, or the operation of a student health center or centers, or both.

The governing board of each community college district may increase this fee by the same percentage increase as the Implicit Price Deflator for State and Local Government Purchase of Goods and Services. Whenever that calculation produces an increase of one dollar (\$1) above the existing fee, the fee may be increased by one dollar (\$1).

(b) If, pursuant to this section, a fee is required, the governing board of the

Incorrect Reduction Claim of Sierra Joint Community College District
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Section 72246, effective April 15, 1993.

district shall decide the amount of the fee, if any, that a part-time student is required to pay. The governing board may decide whether the fee shall be mandatory or optional.

(c) The governing board of a district maintaining a community college shall adopt rules and regulations that exempt the following students from any fee required pursuant to subdivision (a):

(1) Students who depend exclusively upon prayer for healing in accordance with the teachings of a bona fide religious sect, denomination, or organization.

(2) Students who are attending a community college under an approved apprenticeship training program.

(3) Low-income students, including students who demonstrate financial need in accordance with the methodology set forth in federal law or regulation for determining the expected family contribution of students seeking financial aid and students who demonstrate eligibility according to income standards established by the board of governors and contained in Section 58620 of Title 5 of the California Code of Regulations.

(d) All fees collected pursuant to this section shall be deposited in the fund of the district designated by the California Community Colleges Budget and Accounting Manual. These fees shall be expended only to provide health services as specified in regulations adopted by the board of governors.

Authorized expenditures shall not include, among other things, athletic trainers' salaries, athletic insurance, medical supplies for athletics, physical examinations for intercollegiate athletics, ambulance services, the salaries of health professionals for athletic events, any deductible portion of accident claims filed for athletic team members, or any other expense that is not available to all students. No student shall be denied a service supported by student health fees on account of participation in athletic programs.

(e) Any community college district that provided health services in the 1986-87 fiscal year shall maintain health services, at the level provided during the 1986-87 fiscal year, and each fiscal year thereafter. If the cost to maintain that level of service exceeds the limits specified in subdivision (a), the excess cost shall be borne by the district.

(f) A district that begins charging a health fee may use funds for startup costs from other district funds and may recover all or part of those funds from health fees collected within the first five years following the commencement of charging the fee.

(g) The board of governors shall adopt regulations that generally describe the types of health services included in the health service program."

Incorrect Reduction Claim of Sierra Joint Community College District
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1 2. Test Claim

2 On December 2, 1985, Rio Hondo Community College District filed a test claim
3 alleging that Chapter 1, Statutes of 1984, 2nd Extraordinary Session, by eliminating the
4 authority to levy a fee and requiring a maintenance of effort, mandated increased costs
5 by mandating a new program or the higher level of service of an existing program within
6 the meaning of California Constitution Article XIII B, Section 6.

7 On November 20, 1986, the Commission on State Mandates determined that
8 Chapter 1, Statutes of 1984, 2nd Extraordinary Session, imposed a new program upon
9 community college districts by requiring any community college district which provided
10 student health services for which it was authorized to charge a fee pursuant to former
11 Section 72246 in the 1983-1984 fiscal year to maintain student health services at that
12 level in the 1984-1985 fiscal year and each fiscal year thereafter.

13 At a hearing on April 27, 1989, the Commission of State Mandates determined
14 that Chapter 1118, Statutes of 1987, amended this maintenance of effort requirement
15 to apply to all community college districts that provided student health services in fiscal
16 year 1986-1987 and required them to maintain that level of student health services in
17 fiscal year 1987-1988 and each fiscal year thereafter.

18 3. Parameters and Guidelines

19 On August 27, 1987, the original parameters and guidelines were adopted. On
20 May 25, 1989, those parameters and guidelines were amended. A copy of the
21 parameters and guidelines, as amended on May 25, 1989, is attached as Exhibit "C."
22 So far as is relevant to the issues presented below, the parameters and guidelines

Incorrect Reduction Claim of Sierra Joint Community College District
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1 state:

2 "V. REIMBURSABLE COSTS

3 A. Scope of Mandate

4 Eligible community college districts shall be reimbursed for
5 the costs of providing a health services program. Only
6 services provided in 1986-87 fiscal year may be claimed....

7 VI. CLAIM PREPARATION

8 B. . . . 3. Allowable Overhead Cost

9 Indirect costs may be claimed in the manner
10 described by the State Controller in his claiming
11 instructions.

12 VII. SUPPORTING DATA

13 For auditing purposes, all costs claimed must be traceable to
14 source documents and/or worksheets that show evidence of the
15 validity of such costs.

16 VIII OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

17 Any offsetting savings the claimant experiences as a direct result of
18 this statute must be deducted from the costs claimed. In addition,
19 reimbursement for this mandate received from any source, e.g.,
20 federal, state, etc., shall be identified and deducted from this claim.
21 This shall include the amount of \$7.50 per full-time student per
22 semester, \$5.00 per full-time student for summer school, or \$5.00
23 per full-time student per quarter, as authorized by Education Code
24 section 72246(a). This shall also include payments (fees) received
25 from individuals other than students who are not covered by
26 Education Code Section 72246 for health services . . . "

27 4. Claiming Instructions

28 The Controller has frequently revised the claiming instructions for the Health Fee
29 Elimination mandate. A copy of the September 1997 revision of the claiming

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1 instructions is attached as Exhibit "D." The September 1997 claiming instructions are
2 believed to be, for the purposes and scope of this incorrect reduction claim,
3 substantially similar to the version extant at the time the claims which are the subject of
4 this incorrect reduction claim were filed. However, since the Controller's claim forms
5 and instructions have not been adopted as regulations, they have no force of law, and,
6 therefore, have no effect on the outcome of this incorrect reduction claim.

7 PART V. STATE CONTROLLER CLAIM ADJUDICATION

8 The Controller conducted an audit of the District's annual reimbursement claims
9 for fiscal years 2001-02, 2002-03, and 2003-04. The audit concluded that 3% of the
10 District's costs, as claimed, are allowable. A copy of the November 15, 2006-audit
11 report is attached as Exhibit "E."

12 VI. CLAIMANT'S RESPONSE TO THE STATE CONTROLLER

13 By letter dated August 30, 2006, the Controller transmitted a copy of its draft
14 audit report. On September 12, 2006, the District responded to the draft audit report by
15 letter. A copy of the September 12, 2006-letter is attached as part of Exhibit "E." The
16 Controller issued its final audit report on November 15, 2006, without change to the
17 adjustments as stated in the draft audit report.

18 PART VII. STATEMENT OF THE ISSUES

19 **Finding 1: Unsupported salary and benefit costs**

20 The draft and final audit reports assert unsupported salary and benefit costs for
21 academic counselors totaling \$115,948 and related indirect costs of \$42,770 for fiscal

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1 years 2002-03 and 2003-04. The audit report states the following reasons for the

2 adjustments:

- 3 1. "The district did not provide time logs or a documented time study to support the
4 5% allocation to health services.
- 5 2. "In addition, the district did not support the average salary cost or provide
6 documentation that shows that the counselors performed mandate-related
7 activities.
- 8 3. "The District offered to provide counselors' duty statements to evidence time
9 allocated for personal counseling. However, pre-determined time allocations do
10 not represent actual costs."

11 Activities Claimed

12 The District claimed 5 percent of the time (salary and benefits) of nineteen
13 counselors to provide "personal needs" counseling to students. During the audit, the
14 District provided the auditor a copy of the job description for the district counselors.

15 The job description includes the following duty:

16 "Personal Counseling: ESSENTIAL: Provide personal counseling to students, as
17 appropriate, regarding assistance with interpersonal relationship issues and
18 problems, development of interpersonal communications skills, clarification of
19 values and goals, psychological and /or behavioral difficulties, development of
20 decision making skills, chemical dependency problems, gender/sexuality issue
21 and concerns, health problems and concerns, and/or other problems and
22 concerns; provide referrals to students to external community mental health
23 and/or professional counseling and/or other assistance agencies, as appropriate
24 to meet student needs; provide crisis intervention and/or emergency counseling
25 for students experiencing serious problems, as necessary to meet student
26 needs."

Incorrect Reduction Claim of Sierra Joint Community College District
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Title 5, CCR, Section 54702² indicates these services performed by the

2

Section 54702, Title 5, CCR Proper Use of Funds

The health supervision and services fee which the governing board of a district may require students to pay shall be expended only to cover the direct and indirect costs necessary to provide any, all of, or a portion of the student health programs and services approved by the governing board for offering within the district, which may include the following:

(a) Clinical Care Services

- (1) assessment, intervention, and referral for health service
- (2) first aid and basic emergency care
- (3) health appraisal
- (4) communicable disease control

(b) Mental Health Services

- (1) crisis management
- (2) short-term psychological counseling
- (3) alcohol/drug counseling
- (4) eating disorders counseling
- (5) stress management
- (6) suicide prevention
- (7) sexual harassment/assault recovery counseling program
- 8) mental health assessment

(c) Support Services

A variety of services supporting the clinical and mental health efforts including, but not limited to: maintenance of health records in a confidential and ethical manner, laboratory, radiology, and/or pharmacy services.

(d) Special Services

- (1) health education and promotion
- (2) teaching and research
- (3) student insurance programs
- (4) environmental health and safety, including illness and injury prevention programs.

The local district governing board establishing a health supervision and services fee shall decide what scope and level of services will be provided. The board policy will be available to all students.

When the burden of supporting a student health program is shared by all students through a general fee, the programs and services for which the funds are expended must be sufficiently broad to meet health care needs of the general student body. Those programs and services directed at meeting the health care needs of a select few to the exclusion of the general student body shall not be supported through student health fees.

Nothing within these provisions shall prevent an exclusive service to a select group of students or service to the college faculty or staff; however, these services must be supported from sources other than the student fee.

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1 District counselors are appropriate for the health services program funded by the
2 student health services fee. Title 5, CCR, Section 54704³, indicates that it is
3 appropriate to prorate the cost to only the portion of the cost applicable to the student
4 health services program where the expense is not exclusively for student health
5 program, as the District did.

6 The documentation provided by the District supports that the counseling costs
7 are related to the mandate, specifically comply with Title 5 regarding the uses of
8 student health services fees, and are properly prorated.

9 Source Documentation

10 The entire basis of the Controller's adjustments is the quantity and quality of
11 District documentation. The Controller asserts that the District did not provide any
12 documentation to support "actual time" spent or activities performed, or provide a time
13 study documentation. These adjustments are not enforceable.

14 The parameters and guidelines at Part IV Period of Reimbursement state:

15 "Actual costs for one fiscal year should be included in each claim."

16 The parameters and guidelines at Part VI Claim Preparation, Section B (1) states:

17 "Identify the employee,(s) show the classification of the employee(s) involved,

³ **Section 54704, Title 5, CCR. Allowable Charges.**

Those identifiable expenses incurred which directly benefit the student health service program, as defined in Section 54708, are allowable charges to the student health fund for the health services authorized by the district governing board pursuant to Section 54702. Where the expense is not exclusively for the student health program, only the prorated portion applicable to the student health service program may be charged against this fund.

**Incorrect Reduction Claim of Sierra Joint Community College District
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1 describe the mandated functions performed and specify the actual number of
2 hours devoted to each function, the productive hourly rate, and the related
3 benefits. The average number of hours devoted to each function may be claimed
4 if supported by a documented time study.”

5 The parameters and guidelines further state at Part VII Supporting Data:

6 “All costs claimed must be traceable to source documents and/or worksheets
7 that show evidence of the validity of such costs.”

8 As the Controller points out, “time logs” of services provided are an example of a
9 valid source document to support salary and benefit costs claimed by a district. There
10 is no requirement in the parameters and guidelines that the District maintain “time logs”
11 of services provided in order to obtain reimbursement. In fact, the Controller allowed all
12 other claimed salaries and no “time logs” were requested. The only difference is that
13 the counseling costs were in a different general ledger cost account and had to be
14 allocated to the student health services from that account.

15 In addition, the Controller has never published documentation time study
16 standards which comply with the Administrative Procedure Act, and therefore cannot
17 enforce these audit “standards” without prior notice to claimants.

18 The District has complied with the parameters and guidelines as it has provided
19 source documents that show evidence of the validity of such costs and their relationship
20 to the state-mandated program. It has also provided employee names, positions (job
21 titles), productive hourly rates, salary and benefit amounts, and a description of the
22 tasks performed as they relate to this mandate. Personal counseling sessions are
23 within the scope of activities listed in the parameters and guidelines under Title V as
24 those for which a student health services fee utilized. Thus, the District has provided

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1 documentation generated in the usual course of business as well as generated for the
2 purpose of claiming mandate reimbursement. Also, none of the adjustments were
3 made because the costs claimed were excessive or unreasonable, which is the only
4 statutory mandated cost audit standard.

5 **Finding 2: Overstated indirect cost rates claimed**

6 The Controller asserts that the District overstated its indirect cost rates and costs
7 in the amount of \$166,810 for the three fiscal years. The Controller asserts that the
8 indirect cost method used by the District was inappropriate since it was not a cost study
9 specifically approved by the federal government.

10 Federal Approval

11 The audit report also states, "SCO claiming instructions . . . state that districts
12 must obtain federal approval for an ICRP" [Indirect Cost Rate Proposal] "prepared in
13 accordance with Office of Management and Budget (OMB) Circular A-21." Contrary to
14 the Controller's ministerial preferences, there is no requirement in law that the
15 claimant's indirect cost rate must be "federally" approved, and neither the Commission
16 nor the Controller has ever specified the federal agencies which have the authority to
17 "approve" indirect cost rates. Further, it should be noted that the Controller did not
18 determine that the District's rate was excessive or unreasonable, just that it wasn't
19 federally approved.

20 The Controller concludes that since the parameters and guidelines for some of
21 the other community college district mandated-cost programs require a federally

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1 approved rate, the Health Fee Elimination program must also comply with that

2 standard. However, each parameters and guidelines stands alone, and the Health Fee
3 Elimination program parameters and guidelines state “may be claimed,” not “must” or
4 “shall” be claimed.

5 Regulatory Requirements

6 No particular indirect cost rate calculation is required by statute. The parameters
7 and guidelines state that “Indirect costs *may be claimed* in the manner described by the
8 Controller in his claiming instructions.” The District claimed these indirect costs “in the
9 manner” described by the Controller. The correct forms were used and the claimed
10 amounts were entered at the correct locations.

11 The Controller asserts that if the District chooses to claim indirect costs, then the
12 district must comply with the claiming instructions. But, reference to the claiming
13 instructions in the parameters and guidelines does not change a “may” into a “shall.”
14 Since the Controller’s claiming instructions were never adopted as law, or regulations
15 pursuant to the Administrative Procedure Act, the claiming instructions are merely a
16 statement of the ministerial interests of the Controller and have no force of law.

17 The Controller states that “neither this district nor any other district requested
18 that the Commission on State Mandates review the SCO’s claiming instructions . . .
19 Furthermore, the district may not now request a review of the claiming instructions
20 applicable to the audit period.” A claimant is not required to request review of claiming
21 instructions in order to be entitled to reimbursement. Nor, is the District now requesting
22 a review of the claiming instructions, but, rather, that the Controller simply comply with

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1 the parameters and guidelines.

2 CCFS-311

3 In fact, both the District's method and the Controller's FAM-29C method utilize
4 the same source document, the CCFS-311 annual financial and budget report required
5 by the State. The difference in the claimed and audited methods is the determination of
6 which of those cost elements are direct costs and which are indirect costs. Indeed,
7 federally "approved" rates which the Controller will accept without further action, are
8 "negotiated" rates calculated by the District and submitted for approval, indicating that
9 the process is not an exact science, but a determination of the relevance and
10 reasonableness of the costs allocation assumptions made for the method used.

11 Unreasonable or Excessive

12 Government Code Section 17561(d)(2) requires the Controller to pay claims,
13 provided that the Controller may audit the records of any school district to verify the
14 actual amount of the mandated costs, and may reduce any claim that the Controller
15 determines is excessive or unreasonable. The Controller is authorized to reduce a
16 claim only if it determines the claim to be excessive or unreasonable. The District has
17 computed its indirect cost rate utilizing cost accounting principles from the Office of
18 Management and Budget Circular A-21, and the Controller has disallowed it without a
19 determination of whether the product of the District's calculation would, or would not, be
20 excessive, unreasonable, or inconsistent with cost accounting principles. The OMB A-
21 21 cost accounting methods are not the intellectual property of the federal government
22 and can be competently utilized by claimants to generate a reasonable indirect cost rate

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1 without the need for federal approval.

2 Neither state law nor the parameters and guidelines made compliance with the
3 Controller's claiming instructions a condition of reimbursement. The District has
4 followed the parameters and guidelines. The burden of proof is on the Controller to
5 prove that the District's calculation is unreasonable, not to recalculate the rate
6 according to its unenforceable ministerial preferences. The Controller's substitution of
7 the FAM-29C method is an arbitrary choice of the Controller, not a "finding" enforceable
8 by fact or law.

9 Audit Authority

10 The Controller has concluded that the District's "contention" that the Controller
11 has the burden of proof "is without merit." The Controller cites Section 17561 (d) (2),
12 which merely states that the Controller is empowered to audit the claimant records and
13 adjust unreasonable costs, but has not indicated how the District's indirect cost rate is
14 unreasonable. The Controller also cites Section 12410 which requires the Controller to
15 audit claims against the state. The District understands the requirements of the
16 Government Code. The point the District is asserting is that the Controller is required to
17 audit competently and legally, not arbitrarily.

18 The Controller's adjustment of the District's indirect cost rate should be
19 withdrawn, since no legal or factual basis has been shown to disallow the indirect cost
20 rate calculation used by the District.

21 /

1 **Finding 3: Understated authorized health service fees**

2 The Controller adjusted the reported enrollment and number of students subject
3 to payment of the health services fee which resulted in a total adjustment of \$256,592
4 for the three fiscal years. The District reported actual fees collected rather than
5 “authorized” fees. The Controller calculated authorized health service fees using
6 student enrollment data from the Chancellor’s Office and health service fee waivers
7 supported by the District’s records. The District reported actual health service fees
8 based upon the District’s Health Fees Report.

9 Education Code Section 76355

10 Education Code Section 76355, subdivision (a), in relevant part, provides: “The
11 governing board of a district maintaining a community college *may require* community
12 college students to pay a fee . . . for health supervision and services . . . ” There is
13 no requirement that community colleges levy these fees. The permissive nature of the
14 provision is further illustrated in subdivision (b) which states “*If, pursuant to this Section,*
15 *a fee is required, the governing board of the district shall decide the amount of the fee,*
16 *if any, that a part-time student is required to pay. The governing board may decide*
17 *whether the fee shall be mandatory or optional*” (emphasis added).

18 Parameters and Guidelines

19 The Controller incorrectly asserts that the “*Parameters and Guidelines* states
20 that health fees authorized by the *Education Code* must be deducted from costs
21 claimed.” The parameters and guidelines actually state:

Incorrect Reduction Claim of Sierra Joint Community College District
1/84; Health Fee Elimination

1 "Any offsetting savings that the claimant experiences as a direct result of
2 this statute must be deducted from the costs claimed. In addition,
3 reimbursement for this mandate received from any source, e.g., federal, state,
4 etc., shall be identified and deducted from this claim. This shall include the
5 amount of [student fees] as authorized by Education Code Section 72246(a)." ⁴

6 In order for a district to "experience" these "offsetting savings" a district must actually
7 have collected these fees. Student health services fees actually collected must be
8 used to offset costs, but not student fees that could have been collected and were not.
9 The use of the term "*any* offsetting savings" further illustrates the permissive nature of
10 the fees.

11 The Controller argues that the Commission should consider a staff analysis
12 dated May 25, 1989, regarding "proposed" parameter and guidelines amendments.
13 The Controller also states that the staff analysis included an attached letter from the
14 Chancellor's Office which indicates the Commission intended that claimants deduct
15 authorized health services fees from mandate reimbursable costs claimed. However,
16 such documents, if they exist, are irrelevant because the "proposed" language was
17 never adopted. The "proposed" language is not a part of the parameters and guidelines
18 and not controlling law, and therefore has no legal significance. Also, since the
19 referenced documents were not included in the audit, the District cannot fully respond
20 to the Controller's argument.

21 Government Code Section 17514

22 Nor can the Controller rely upon Government Code Section 17514 for the

⁴ Former Education Code Section 72246 was repealed by Chapter 8, Statutes of 1993, Section 29, and was replaced by Education Code Section 76355.

Incorrect Reduction Claim of Sierra Joint Community College District
1/84; Health Fee Elimination

1 conclusion that to the extent community college districts can charge a fee, they are not
2 required to incur a cost. Government Code Section 17514, as added by Chapter 1459,
3 Statutes of 1984, states:

4 "Costs mandated by the state" means any increased costs which a local
5 agency or school district is required to incur after July 1, 1980, as a result of any
6 statute enacted on or after January 1, 1975, or any executive order implementing
7 any statute enacted on or after January 1, 1975, which mandates a new program
8 or higher level of service of an existing program within the meaning of Section 6
9 of Article XIII B of the California Constitution."

10 There is nothing in the language of the statute regarding the authority to charge a fee,
11 any nexus of fee revenue to increased cost, nor any language which describes the legal
12 effect of fees collected.

13 Government Code Section 17556

14 Nor can the Controller rely upon Government Code Section 17556 for the
15 conclusion that there are no claimable costs mandated by the State where the
16 claimants have the authority to collect a service fee. Government Code Section 17556,
17 as last amended by Chapter 589, Statutes of 1989, states:

18 "The commission shall not find costs mandated by the state, as defined in
19 Section 17514, in any claim submitted by a local agency or school district, if after
20 a hearing, the commission finds any one of the following . . .
21 (d) The local agency or school district has the authority to levy service
22 charges, fees, or assessments sufficient to pay for the mandated program or
23 increased level of service . . . "

24 Government Code Section 17556 prohibits the Commission on State Mandates from
25 finding costs subject to reimbursement, that is, approving a test claim activity for
26 reimbursement, where there is authority to levy fees in an amount sufficient to offset the
27 entire mandated costs. Here, the Commission has approved the test claim and made a

Incorrect Reduction Claim of Sierra Joint Community College District
1/84; Health Fee Elimination

1 finding of a new program or higher level of service in which the claimants do not have
2 the ability to levy fees in an amount sufficient to offset mandated costs.

3 County of Fresno and Connell

4 The Controller cites, without explanation or application to the facts of this
5 mandate, to *County of Fresno v. California* (53 Cal. 3d 482, 1991), and *Connell v.*
6 *Superior Court of Sacramento County (Santa Margarita Water District)* (59 Cal. App. 4th
7 382, Third District, 1997). Both cases apply to the Government Code Section 17556,
8 subdivision (d) ultimate threshold legal question of whether the program will be
9 approved for reimbursement because there are sources of funding sufficient to cover
10 the cost of the mandate. The cases do not apply because the Commission on State
11 Mandates has already made a finding of fact and law that subdivision (d) exception did
12 not apply for the Health Fee Elimination mandate.

13 The Controller states that the “two court cases addressed the issue of fee
14 authority. Both cases conclude that “costs” as used in the constitutional provision
15 excludes expenses that are recoverable from sources other than taxes.” To the
16 contrary, the statutory basis for the Health Fee Elimination program expressly limits the
17 amount of student health services fees that may be collected by community colleges,
18 and thereby the collection of fees is insufficient to cover the actual costs of the mandate
19 program. Both cases cited by the Controller included express statutory language giving
20 local government the ability to collect *sufficient fees* to cover the actual costs of the
21 mandated program. These two cases are therefore irrelevant to the issues presented

Incorrect Reduction Claim of Sierra Joint Community College District
1/84; Health Fee Elimination

1 by this incorrect reduction claim.

2 Health Services Fee Amount

3 The Controller concludes that since the Chancellor's Office notified community
4 college districts that they could charge a fee of \$12 per semester and \$9 per summer
5 session, effective the 2001 summer session, the colleges will charge this amount.

6 Districts receive notice of these fee amounts by letter from the Chancellor of the
7 California Community Colleges. An example of one such notice is the Chancellor's
8 letter dated March 5, 2001, attached as Exhibit "F." While Education Code Section
9 76355 provides for an increase in the student health services fees, it did not grant the
10 Chancellor the authority to establish mandatory fee amounts or mandatory fee
11 increases. No state agency was granted that authority by the Education Code, and no
12 state agency has exercised its rulemaking authority to establish mandatory fees
13 amounts. It should be noted that the Chancellor's letter properly states that increasing
14 the amount of the fee is at the option of the district, and that the Chancellor is not
15 asserting that authority. Therefore, the Controller cannot rely upon the Chancellor's
16 notice as a basis to adjust the claim for "collectible" student health services fees.

17 Fees Collected vs. Fees Collectible

18 This issue is one of student health fees revenue actually received, rather than
19 student health fees which might be collected. Student fees not collected are student
20 fees not "experienced" and as such should not reduce reimbursement. Further, the
21 amount "collectible" will never equal actual revenues collected due to changes in
22 student BOGG eligibility, bad debt accounts, and refunds.

Incorrect Reduction Claim of Sierra Joint Community College District
1/84; Health Fee Elimination

1 The Controller states the Community Colleges Chancellors Office notified
2 districts that districts may charge a fee of \$12 per semester and \$9 for the summer
3 session, effective the summer session of 2001. Which is not to say that districts are
4 required to charge this fee and there is no evidence that districts uniformly alter their
5 fee schedule as a result of these notices. Rather, districts are required by the
6 parameters and guidelines to reduce their claimed costs by the amount of student
7 health services fee revenue actually received, which the District did do for the annual
8 claims that are the subject of this incorrect reduction claim. Therefore, student health
9 fees are merely collectible, they are not mandatory, and it is inappropriate for the
10 Controller to reduce claim amounts by revenues not received.

11 Enrollment and Exempted Student Statistics

12 It is our understanding that the Controller adjusted the reported total student
13 enrollment and reported number of exempt students based on data available from the
14 office of the Chancellor of the Community Colleges. The information obtained from the
15 Chancellor's office is based on information originally provided to the Chancellor by the
16 District in the normal course of business. The Controller has not provided any factual
17 basis why the Chancellor's data, subject to review and revision after the fact for several
18 years, is preferable to the data reported by the District which was available at the time
19 the claims were prepared. The Controller does not indicate how and why its
20 determination of "actual" student counts is any more "actual" than the amount reported
21 on the claims.

Incorrect Reduction Claim of Sierra Joint Community College District
1/84; Health Fee Elimination

Finding 4: Understated offsetting revenues

The District is not disputing this adjustment.

Amounts Paid By The State

This issue was not an audit finding. The payment received from the state is an integral part of the reimbursement calculation. The Controller changed the FY 2001-02 and FY 2002-03 claim payment amount received from the State without a finding in the audit report.

<u>Amount Paid by the State</u>	<u>Fiscal Year of Claim</u>		
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
As Claimed	\$57,219	\$0	\$0
As Audited	\$180,817	\$209,252	\$0

The propriety of these adjustments cannot be determined until the Controller states the reason for the change.

PART VIII. RELIEF REQUESTED

The District filed its annual reimbursement claims within the time limits prescribed by the Government Code. The amounts claimed by the District for reimbursement of the costs of implementing the program imposed by Chapter 1, Statutes of 1984, 2nd Extraordinary Session, Chapter 1118, Statutes of 1987, and Education Code Section 76355 represent the actual costs incurred by the District to carry out this program. These costs were properly claimed pursuant to the Commission's parameters and guidelines. Reimbursement of these costs is required under Article XIII B, Section 6 of the California Constitution. The Controller denied

Incorrect Reduction Claim of Sierra Joint Community College District
1/84; Health Fee Elimination

1 reimbursement without any basis in law or fact. The District has met its burden of going
2 forward on this claim by complying with the requirements of Section 1185, Title 2,
3 California Code of Regulations. Because the Controller has enforced and is seeking to
4 enforce these adjustments without benefit of statute or regulation, the burden of proof is
5 now upon the Controller to establish a legal basis for its actions.

6 The District requests that the Commission make findings of fact and law on each
7 and every adjustment made by the Controller and each and every procedural and
8 jurisdictional issue raised in this claim, and order the Controller to correct its audit report
9 findings therefrom.

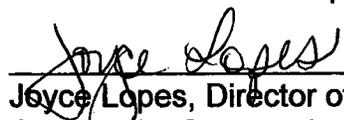
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Incorrect Reduction Claim of Sierra Joint Community College District
1/84; Health Fee Elimination

1 PART IX. CERTIFICATION

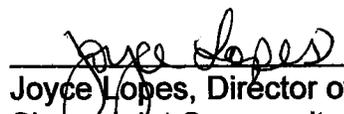
2 By my signature below, I hereby declare, under penalty of perjury under the laws
3 of the State of California, that the information in this incorrect reduction claim
4 submission is true and complete to the best of my own knowledge or information or
5 belief, and that the attached documents are true and correct copies of documents
6 received from or sent by the state agency which originated the document.

7 Executed on September 27, 2007, at Rocklin, California, by

8 
9 _____
10 Joyce Lopes, Director of Finance
11 Sierra Joint Community College District
12 5000 Rocklin Road
13 Rocklin, CA 95677-3397
14 Voice: 916-789-2658
15 Fax: 916-781-0455
16 E-Mail: jlopes@sierracollege.edu

16 APPOINTMENT OF REPRESENTATIVE

17 Sierra Joint Community College District appoints Keith B. Petersen, SixTen and
18 Associates, as its representative for this incorrect reduction claim.

19 
20 _____
21 Joyce Lopes, Director of Finance
Sierra Joint Community College District

9/27/07
_____ Date

22 Attachments:

- | | |
|----------------|--|
| 23 Exhibit "A" | Controller's Letters dated December 21, 2006 |
| 24 Exhibit "B" | SCO Legal Counsel's Letter dated July 15, 2004 |
| 25 Exhibit "C" | Parameters and Guidelines as amended May 25, 1989 |
| 26 Exhibit "D" | Controller's Claiming Instructions as amended September 1997 |
| 27 Exhibit "E" | SCO Audit Report dated November 15, 2006 |
| 28 Exhibit "F" | Chancellor's Letter dated March 5, 2001 |
| 29 Exhibit "G" | Annual Reimbursement Claims |



STEVE WESTLY
California State Controller
Division of Accounting and Reporting
DECEMBER 21, 2006
CC31090
00234
2006/12/21

BOARD OF TRUSTEES
SIERRA JOINT COMM COLL DIST
PLACER COUNTY
5000 ROCKLIN RD
ROCKLIN CA 95677

DEAR CLAIMANT:

RE: HEALTH FEE ELIMINATION (CC)

WE HAVE REVIEWED YOUR 2003/2004 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED	188,299.00
ADJUSTMENT TO CLAIM:	
FIELD AUDIT FINDINGS	- 188,299.00
TOTAL ADJUSTMENTS	- 188,299.00
AMOUNT DUE CLAIMANT	\$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT FRAN STUART AT (916) 323-0766 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

Ginny Drummels
GINNY DRUMMELS, MANAGER

LOCAL REIMBURSEMENT SECTION
P.O. BOX 942850 SACRAMENTO, CA 94250-5875

Page: 1 Document Name: Frances Stuart

To: Bob BERG 9-1-958-574-8645

COMMAND ==>
LRSP572 20061219 200012

SCROLL ==> SCREEN
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CC31090
00234
2006/12/21

DECEMBER 21, 2006
BOARD OF TRUSTEES
SIERRA JOINT COMM COLL DIST
PLACER COUNTY
5000 ROCKLIN RD
ROCKLIN CA 95677

DEAR CLAIMANT:

RE: HEALTH FEE ELIMINATION (CC)
WE HAVE REVIEWED YOUR 2002/2003 FISCAL YEAR REIMBURSEMENT CLAIM FOR
THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR
REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		
TOTAL ADJUSTMENTS (DETAILS BELOW)	-	209,252.00
TOTAL PRIOR PAYMENTS (DETAILS BELOW)	-	207,443.00
		-209,252.00
AMOUNT DUE STATE		-----
	\$	207,443.00

PLEASE REMIT A WARRANT IN THE AMOUNT OF \$ 207,443.00 WITHIN 30
DAYS FROM THE DATE OF THIS LETTER, PAYABLE TO THE STATE CONTROLLER'S
OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850,
SACRAMENTO, CA 94250-5875 WITH A COPY OF THIS LETTER. FAILURE TO
REMIT THE AMOUNT DUE WILL RESULT IN OUR OFFICE PROCEEDING TO OFFSET
THE AMOUNT FROM THE NEXT PAYMENTS DUE TO YOUR AGENCY FOR STATE
MANDATED COST PROGRAMS.
IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT FRAN STUART
AT (916) 323-0766 OR IN WRITING AT THE ABOVE ADDRESS.

ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	207,443.00
TOTAL ADJUSTMENTS	-	
PRIOR PAYMENTS:	-	207,443.00
SCHEDULE NO. MA64136A		
PAID 10-25-2006		-209,252.00
TOTAL PRIOR PAYMENTS		-----
		-209,252.00



STEVE WESTLY
California State Controller
Division of Accounting and Reporting
DECEMBER 21, 2006

CC31090
00234
2006/12/21

BOARD OF TRUSTEES
SIERRA JOINT COMM COLL DIST
PLACER COUNTY
5000 ROCKLIN RD
ROCKLIN CA 95677

DEAR CLAIMANT:

RE: HEALTH FEE ELIMINATION (CC)

WE HAVE REVIEWED YOUR 2001/2002 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED	180,817.00
TOTAL ADJUSTMENTS (DETAILS BELOW)	- 222,323.00
TOTAL PRIOR PAYMENTS (DETAILS BELOW)	-123,598.00
AMOUNT DUE STATE	<u>\$ 165,104.00</u>

PLEASE REMIT A WARRANT IN THE AMOUNT OF \$ 165,104.00 WITHIN 30 DAYS FROM THE DATE OF THIS LETTER, PAYABLE TO THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875 WITH A COPY OF THIS LETTER. FAILURE TO REMIT THE AMOUNT DUE WILL RESULT IN OUR OFFICE PROCEEDING TO OFFSET THE AMOUNT FROM THE NEXT PAYMENTS DUE TO YOUR AGENCY FOR STATE MANDATED COST PROGRAMS.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT FRAM STUART AT (916) 323-0766 OR IN WRITING AT THE ABOVE ADDRESS.

ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	165,104.00
PRIOR PYMT TO/FR ANOTHER PGM	-	97,219.00
TOTAL ADJUSTMENTS	-	222,323.00
PRIOR PAYMENTS:		
SCHEDULE NO. MA61347X		
PAID 10-25-2006	-123,598.00	
TOTAL PRIOR PAYMENTS		-123,598.00

Post-It™ brand fax transmittal memo 7671		# of pages	2
To	LAWRENCE LEE	From	LINDA FISHER
Co.		Co.	
Dept.		Phone #	
Fax #	X2884	Fax #	

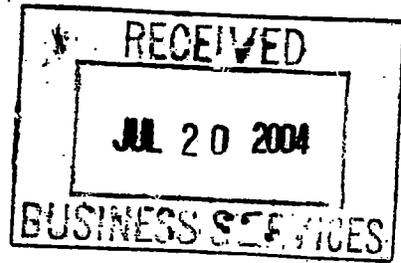
SINCERELY,

Ginny Brummel
GINNY BRUMMELS, MANAGER

LOCAL REIMBURSEMENT SECTION
P.O. BOX 942850 SACRAMENTO, CA 94250-5875



STEVE WESTLY
California State Controller



July 15, 2004

Mike Brandy, Vice Chancellor
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos, CA 94022

Re: Foothill-De Anza Community College District Audit

Dear Mr. Brandy:

This is in response to your letter to me dated May 13, 2004, concerning the Controller's Audit of the Health Fee claim.

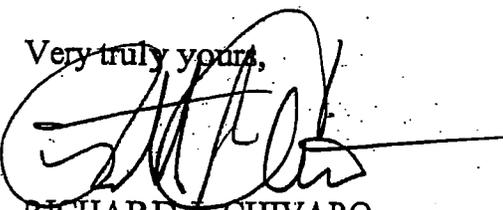
The Controller's informal audit review process was established to resolve factual disputes where no other forum for resolution, other than a judicial proceeding, is available.

The proper forum for resolving issues involving mandated cost programs is through the incorrect reduction process through the Commission on State Mandates. As such, this office will not be scheduling an informal conference for this matter.

However, in light of the concerns expressed in your letter concerning the auditors assigned and the validity of the findings, I am forwarding your letter to Vince Brown, Chief Operating Officer, for his review and response.

If you have any questions you may contact Mr. Vince Brown at (916) 445-2038.

Very truly yours,



RICHARD J. CHIVARO
Chief Counsel

RJC/st

cc: Vincent P. Brown, Chief Operating Officer, State Controller's Office
Jeff Brownfield, Chief, Division of Audits, State Controller's Office

Adopted: 8/27/87
Amended: 5/25/89

PARAMETERS AND GUIDELINES
Chapter 1, Statutes of 1984, 2nd E.S. .
Chapter 1118, Statutes of 1987
Health Fee Elimination

I. SUMMARY OF MANDATE

Chapter 1, Statutes of 1984, 2nd E.S. repealed Education Code Section 72246 which had authorized community college districts to charge a health fee for the purpose of providing health supervision and services, direct and indirect medical and hospitalization services, and operation of student health centers. This statute also required that health services for which a community college district charged a fee during the 1983-84 fiscal year had to be maintained at that level in the 1984-85 fiscal year and every year thereafter. The provisions of this statute would automatically repeal on December 31, 1987, which would reinstate the community colleges districts' authority to charge a health fee as specified.

Chapter 1118, Statutes of 1987, amended Education Code section 72246 to require any community college district that provided health services in 1986-87 to maintain health services at the level provided during the 1986-87 fiscal year in 1987-88 and each fiscal year thereafter.

II. COMMISSION ON STATE MANDATES' DECISION

At its hearing on November 20, 1986, the Commission on State Mandates determined that Chapter 1, Statutes of 1984, 2nd E.S. imposed a "new program" upon community college districts by requiring any community college district which provided health services for which it was authorized to charge a fee pursuant to former Section 72246 in the 1983-84 fiscal year to maintain health services at the level provided during the 1983-84 fiscal year in the 1984-85 fiscal year and each fiscal year thereafter. This maintenance of effort requirement applies to all community college districts which levied a health services fee in the 1983-84 fiscal year, regardless of the extent to which the health services fees collected offset the actual costs of providing health services at the 1983-84 fiscal year level.

At its hearing of April 27, 1989, the Commission determined that Chapter 1118, Statutes of 1987, amended this maintenance of effort requirement to apply to all community college districts which provided health services in fiscal year 1986-87 and required them to maintain that level in fiscal year 1987-88 and each fiscal year thereafter.

III. ELIGIBLE CLAIMANTS

Community college districts which provided health services in 1986-87 fiscal year and continue to provide the same services as a result of this mandate are eligible to claim reimbursement of those costs.

IV. PERIOD OF REIMBURSEMENT

Chapter 1, Statutes of 1984, 2nd E.S., became effective July 1, 1984. Section 17557 of the Government Code states that a test claim must be submitted on or before November 30th following a given fiscal year to establish for that fiscal year. The test claim for this mandate was filed on November 27, 1985; therefore, costs incurred on or after July 1, 1984, are reimbursable. Chapter 1118, Statutes of 1987, became effective January 1, 1988. Title 2, California Code of Regulations, section 1185.3(a) states that a parameters and guidelines amendment filed before the deadline for initial claims as specified in the Claiming Instructions shall apply to all years eligible for reimbursement as defined in the original parameters and guidelines; therefore, costs incurred on or after January 1, 1988, for Chapter 1118, Statutes of 1987, are reimbursable.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim if applicable. Pursuant to Section 17561(d)(3) of the Government Code, all claims for reimbursement of costs shall be submitted within 120 days of notification by the State Controller of the enactment of the claims bill.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code Section 17564.

V. REIMBURSABLE COSTS

A. Scope of Mandate

Eligible community college districts shall be reimbursed for the costs of providing a health services program. Only services provided in 1986-87 fiscal year may be claimed.

B. Reimbursable Activities

For each eligible claimant, the following cost items are reimbursable to the extent they were provided by the community college district in fiscal year 1986-87:

ACCIDENT REPORTS

APPOINTMENTS

- College Physician - Surgeon
 - Dermatology, Family Practice, Internal Medicine
- Outside Physician
- Dental Services
- Outside Labs (X-ray, etc.)
- Psychologist, full services
- Cancel/Change Appointments
- R.N.
- Check Appointments

ASSESSMENT, INTERVENTION & COUNSELING

- Birth Control
- Lab Reports
- Nutrition
- Test Results (office)
- VD
- Other Medical Problems
- CD
- URI
- ENT
- Eye/Vision
- Derm./Allergy
- Gyn/Pregnancy Services
- Neuro
- Ortho
- GU
- Dental
- GI
- Stress Counseling
- Crisis Intervention
- Child Abuse Reporting and Counseling
- Substance Abuse Identification and Counseling
- Aids
- Eating Disorders
- Weight Control
- Personal Hygiene
- Burnout

EXAMINATIONS (Minor Illnesses)

- Recheck Minor Injury

HEALTH TALKS OR FAIRS - INFORMATION

- Sexually Transmitted Disease
- Drugs
- Aids
- Child Abuse
- Birth Control/Family Planning
- Stop Smoking
- Etc.
- Library - videos and cassettes

FIRST AID (Major Emergencies)

FIRST AID (Minor Emergencies)

FIRST AID KITS (Filled)

IMMUNIZATIONS

- Diphtheria/Tetanus
- Measles/Rubella
- Influenza
- Information

INSURANCE

On Campus Accident
Voluntary
Insurance Inquiry/Claim Administration

LABORATORY TESTS DONE

Inquiry/Interpretation
Pap Smears

PHYSICALS

Employees
Students
Athletes

MEDICATIONS (dispensed OTC for misc. illnesses)

Antacids
Antidiarrhial
Antihistamines
Aspirin, Tylenol, etc.
Skin rash preparations
Misc.
Eye drops
Ear drops
Toothache - Oil cloves
Stingkill
Midol - Menstrual Cramps

PARKING CARDS/ELEVATOR KEYS

Tokens
Return card/key
Parking inquiry
Elevator passes
Temporary handicapped parking permits

REFERRALS TO OUTSIDE AGENCIES

Private Medical Doctor
Health Department
Clinic
Dental
Counseling Centers
Crisis Centers
Transitional Living Facilities (Battered/Homeless Women)
Family Planning Facilities
Other Health Agencies

TESTS

Blood Pressure
Hearing
Tuberculosis
 Reading
 Information
Vision
Glucometer
Urinalysis

Hemoglobin
E.K.G.
Strep A testing
P.G. testing
Monospot
Hemacult
Misc.

MISCELLANEOUS

Absence Excuses/PE Waiver
Allergy Injections
Band-aids
Booklets/Pamphlets
Dressing Change
Rest
Suture Removal
Temperature
Weigh
Misc.
Information
Report/Form
Wart Removal

COMMITTEES

Safety
Environmental
Disaster Planning

SAFETY DATA SHEETS

Central file

X-RAY SERVICES

COMMUNICABLE DISEASE CONTROL

BODY FAT MEASUREMENTS

MINOR SURGERIES

SELF-ESTEEM GROUPS

MENTAL HEALTH CRISIS

AA GROUP

ADULT CHILDREN OF ALCOHOLICS GROUP

WORKSHOPS

Test Anxiety
Stress Management
Communication Skills
Weight Loss
Assertiveness Skills

VI. CLAIM PREPARATION

Each claim for reimbursement pursuant to this mandate must be timely filed and set forth a list of each item for which reimbursement is claimed under this mandate.

A. Description of Activity

1. Show the total number of full-time students enrolled per semester/quarter.
2. Show the total number of full-time students enrolled in the summer program.
3. Show the total number of part-time students enrolled per semester/quarter.
4. Show the total number of part-time students enrolled in the summer program.

B. Actual Costs of Claim Year for Providing 1986-87 Fiscal Year Program Level of Service

Claimed costs should be supported by the following information:

1. Employee Salaries and Benefits

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. The average number of hours devoted to each function may be claimed if supported by a documented time study.

2. Services and Supplies

Only expenditures which can be identified as a direct cost of the mandate can be claimed. List cost of materials which have been consumed or expended specifically for the purpose of this mandate.

3. Allowable Overhead Cost

Indirect costs may be claimed in the manner described by the State Controller in his claiming instructions.

VII. SUPPORTING DATA

For auditing purposes, all costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs. This would include documentation for the fiscal year 1986-87 program to substantiate a maintenance of effort. These documents must be kept on file by the agency submitting the claim for a period of no

less than three years from the date of the final payment of the claim pursuant to this mandate, and made available on the request of the State Controller or his agent.

VIII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

Any offsetting savings the claimant experiences as a direct result of this statute must be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, e.g., federal, state, etc., shall be identified and deducted from this claim. This shall include the amount of \$7.50 per full-time student per semester, \$5.00 per full-time student for summer school, or \$5.00 per full-time student per quarter, as authorized by Education Code section 72246(a). This shall also include payments (fees) received from individuals other than students who are not covered by Education Code Section 72246 for health services.

IX. REQUIRED CERTIFICATION

The following certification must accompany the claim:

I DO HEREBY CERTIFY under penalty of perjury:

THAT the foregoing is true and correct:

THAT Section 1090 to 1096, inclusive, of the Government Code and other applicable provisions of the law have been complied with;

and

THAT I am the person authorized by the local agency to file claims for funds with the State of California.

Signature of Authorized Representative

Date

Title

Telephone No.

HEALTH FEE ELIMINATION

1. Summary of Chapters 1/84, 2nd E.S., and Chapter 1118/87

Chapter 1, Statutes of 1984, 2nd E.S., repealed Education Code § 72246 which authorized community college districts to charge a fee for the purpose of providing health supervision and services, direct and indirect medical and hospitalization services, and operation of student health centers. The statute also required community college districts that charged a fee in the 1983/84 fiscal year to maintain that level of health services in the 1984/85 fiscal year and each fiscal year thereafter. The provisions of this statute would automatically repeal on December 31, 1987, which would reinstate the community college districts' authority to charge a health fee as specified.

Chapter 1118, Statutes of 1987 amended Education Code § 72246 to require any community college district that provided health services in the 1986/87 fiscal year to maintain health services at that level in the 1986/87 fiscal year and each fiscal year thereafter. Chapter 8, Statutes of 1993, has revised the numbering of § 72246 to § 76355.

2. Eligible Claimants

Any community college district incurring increased costs as a result of this mandate is eligible to claim reimbursement of these costs.

3. Appropriations

To determine if current funding is available for this program, refer to the schedule "Appropriations for State Mandated Cost Programs" in the "Annual Claiming Instructions for State Mandated Costs" issued in mid-September of each year to community college presidents.

4. Types of Claims

A. Reimbursement and Estimated Claims

A claimant may file a reimbursement claim and/or an estimated claim. A reimbursement claim details the costs actually incurred for a prior fiscal year. An estimated claim shows the costs to be incurred for the current fiscal year.

B. Minimum Claim

Section 17564(a), Government Code, provides that no claim shall be filed pursuant to Section 17561 unless such a claim exceeds \$200 per program per fiscal year.

5. Filing Deadline

- (1) Refer to item 3 "Appropriations" to determine if the program is funded for the current fiscal year. If funding is available, an estimated claim must be filed with the State Controller's Office and postmarked by November 30, of the fiscal year in which costs are to be incurred. Timely filed estimated claims will be paid before late claims.

After having received payment for an estimated claim, the claimant must file a reimbursement claim by November 30, of the following fiscal year regardless whether the payment was more or less than the actual costs. If the local agency fails to file a reimbursement claim, monies received must be returned to the State. If no estimated claim was filed, the local agency may file a reimbursement

claim detailing the actual costs incurred for the fiscal year, provided there was an appropriation for the program for that fiscal year. (See item 3 above).

- (2) A reimbursement claim detailing the actual costs must be filed with the State Controller's Office and postmarked by November 30 following the fiscal year in which costs were incurred. If the claim is filed after the deadline but by November 30 of the succeeding fiscal year, the approved claim must be reduced by a late penalty of 10%, not to exceed \$1,000. Claims filed more than one year after the deadline will not be accepted.

6. Reimbursable Components

Eligible claimants will be reimbursed for health service costs at the level of service provided in the 1986/87 fiscal year. The reimbursement will be reduced by the amount of student health fees authorized per the Education Code § 76355.

After January 1, 1993, pursuant to Chapter 8, Statutes of 1993, the fees students were required to pay for health supervision and services were not more than:

\$10.00 per semester

\$5.00 for summer school

\$5.00 for each quarter

Beginning with the summer of 1997, the fees are:

\$11.00 per semester

\$8.00 for summer school or

\$8.00 for each quarter

The district may increase fees by the same percentage increase as the Implicit Price Deflator (IPD) for the state and local government purchase of goods and services.

Whenever the IPD calculates an increase of one dollar (\$1) above the existing amount, the fees may be increased by one dollar (\$1).

7. Reimbursement Limitations

- A. If the level at which health services were provided during the fiscal year of reimbursement is less than the level of health services that were provided in the 1986/87 fiscal year, no reimbursement is forthcoming.
- B. Any offsetting savings or reimbursement the claimant received from any source (e.g. federal, state grants, foundations, etc.) as a result of this mandate, shall be identified and deducted so only net local costs are claimed.

8. Claiming Forms and Instructions

The diagram "Illustration of Claim Forms" provides a graphical presentation of forms required to be filed with a claim. A claimant may submit a computer generated report in substitution for forms HFE-1.0, HFE-1.1, and form HFE-2 provided the format of the report and data fields contained within the report are identical to the claim forms included in these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file estimated and reimbursement claims. The State Controller's Office will revise the manual and claim forms as necessary. In such instances, new replacement forms will be mailed to claimants.

A. Form HFE- 2, Health Services

This form is used to list the health services the community college provided during the 1986/87 fiscal year and the fiscal year of the reimbursement claim.

B. Form HFE-1.1, Claim Summary

This form is used to compute the allowable increased costs an individual college of the community college district has incurred to comply with the state mandate. The level of health services reported on this form must be supported by official financial records of the community college district. A copy of the document must be submitted with the claim. The amount shown on line (13) of this form is carried to form HFE-1.0.

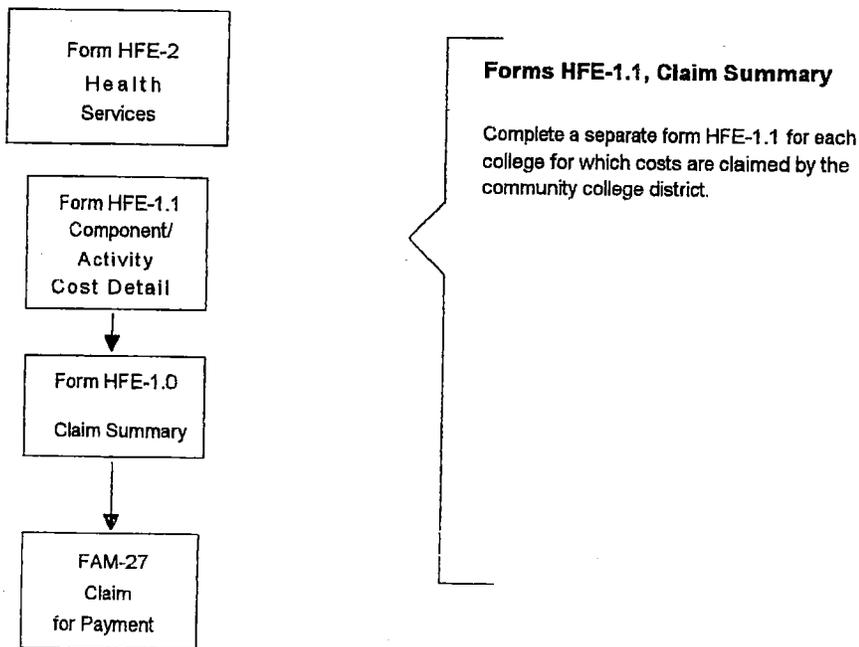
C. Form HFE-1.0, Claim Summary

This form is used to list the individual colleges that had increased costs due to the state mandate and to compute a total claimable cost for the district. The "Total Amount Claimed", line (04) on this form is carried forward to form FAM-27, line 13, for the reimbursement claim, or line (07) for the estimated claim.

D. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized representative of the local agency. All applicable information from form HFE-1.0 and HFE 1.1 must be carried forward to this form for the State Controller's Office to process the claim for payment.

Illustration of Claim Forms



CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 HEALTH FEE ELIMINATION	For State Controller Use Only (19) Program Number 00029 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 029
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LABEL HERE	(01) Claimant Identification Number		Reimbursement Claim Data		
	(02) Claimant Name		(22) HFE-1.0,(04)(b)		
	County of Location		(23)		
	Street Address or P.O. Box Suite		(24)		
	City State Zip Code		(25)		
	Type of Claim		Estimated Claim		Reimbursement Claim
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(26)		
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27)		
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28)		
			(29)		
Fiscal Year of Cost	(06) 20___/20___	(12) 20___/20___	(30)		
Total Claimed Amount	(07)	(13)	(31)		
Less: 10% Late Penalty, not to exceed \$1,000		(14)	(32)		
Less: Prior Claim Payment Received		(15)	(33)		
Net Claimed Amount		(16)	(34)		
Due to Claimant	(08)	(17)	(35)		
Due to State		(18)	(36)		

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file claims with the State of California for costs mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, set forth on the attached statements.

Signature of Authorized Officer _____

Date _____

Type or Print Name _____

Title _____

(38) Name of Contact Person for Claim _____

Telephone Number () - Ext. _____

E-Mail Address _____

Program 029	HEALTH FEE ELIMINATION Certification Claim Form Instructions	FORM FAM-27
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- (01) Leave blank.
- (02) A set of mailing labels with the claimant's I.D. number and address was enclosed with the letter regarding the claiming instructions. The mailing labels are designed to speed processing and prevent common errors that delay payment. Affix a label in the space shown on form FAM-27. Cross out any errors and print the correct information on the label. Add any missing address items, except county of location and a person's name. If you did not receive labels, print or type your agency's mailing address.
- (03) If filing an original estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) If filing an original estimated claim on behalf of districts within the county, enter an "X" in the box on line (04) Combined.
- (05) If filing an amended or combined claim, enter an "X" in the box on line (05) Amended. Leave boxes (03) and (04) blank.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form HFE-1.0 and enter the amount from line (04)(b).
- (08) Enter the same amount as shown on line (07).
- (09) If filing an original reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing an original reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended or a combined claim on behalf of districts within the county, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of reimbursement claim from form HFE-1.0, line (04)(b).
- (14) Reimbursement claims must be filed by January 15 of the following fiscal year in which costs are incurred or the claims shall be reduced by a late penalty. Enter either the product of multiplying line (13) by the factor 0.10 (10% penalty) or \$1,000, whichever is less.
- (15) If filing a reimbursement claim and a claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16) Net Claimed Amount is positive, enter that amount on line (17) Due from State.
- (18) If line (16) Net Claimed Amount is negative, enter that amount in line (18) Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., HFE-1.0, (04)(b), means the information is located on form HFE-1.0, line (04), column (b). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by a signed certification.**
- (38) Enter the name, telephone number, and e-mail address of the person whom this office should contact if additional information is required.

SUBMIT A SIGNED, ORIGINAL FORM FAM-27 WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS (NO COPIES NECESSARY) TO:

Address, if delivered by U.S. Postal Service:

OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

Address, if delivered by other delivery service:

OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY		FORM HFE-1.0
(01) Claimant	(02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 19__/19__
(03) List all the colleges of the community college district identified in form HFE-1.1, line (03)		
(a) Name of College	(b) Claimed Amount	
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
21.		
(04) Total Amount Claimed	[Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)]	

<p style="text-align: center;">HEALTH FEE ELIMINATION CLAIM SUMMARY Instructions</p>	<p style="text-align: center;">FORM HFE-1.0</p>
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- (01) Enter the name of the claimant. Only a community college district may file a claim with the State Controller's Office on behalf of its colleges.

- (02) Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year for which the expenses were/are to be incurred. A separate claim must be filed for each fiscal year.

Form HFE-1.0 must be filed for a reimbursement claim. Do not complete form HFE-1.0 if you are filing an estimated claim and the estimate is not more than 110% of the previous fiscal year's actual costs. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, forms HFE-1.0 and HFE-1.1 must be completed and a statement attached explaining the increased costs. Without this information the high estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.

- (03) List all the colleges of the community college district which have increased costs. A separate form HFE-1.1 must be completed for each college showing how costs were derived.

- (04) Enter the total claimed amount of all colleges by adding the Claimed Amount, line (3.1b) + line (3.2b) ...+ (3.21b).

MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY	FORM HFE-1.1
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(01) Claimant	(02) Type of Claim	Fiscal Year
	Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>	19__/19__

(03) Name of College

(04) Indicate with a check mark, the level at which health services were provided during the fiscal year of reimbursement in comparison to the 1986/87 fiscal year. If the "Less" box is checked, STOP, do not complete the form. No reimbursement is allowed.

LESS SAME MORE

	Direct Cost	Indirect Cost	Total
(05) Cost of health services for the fiscal year of claim			
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87			
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]			

(08) Complete columns (a) through (g) to provide detail data for health fees

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester							
2. Per spring semester							
3. Per summer session							
4. Per first quarter							
5. Per second quarter							
6. Per third quarter							

(09) Total health fee that could have been collected [Line (8.1g) + (8.2g) +(8.6g)]

(10) Sub-total [Line (07) - line (09)]

Cost Reduction

(11) Less: Offsetting Savings, if applicable

(12) Less: Other Reimbursements, if applicable

(13) Total Amount Claimed [Line (10) - {line (11) + line (12)}]

HEALTH FEE ELIMINATION CLAIM SUMMARY Instructions	FORM HFE-1.1
--	-------------------------

- (01) Enter the name of the claimant. Only a community college district may file a claim with the State Controller's Office on behalf of its colleges.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year of costs.
- Form HFE-1.1 must be filed for a reimbursement claim. If you are filing an estimated claim and the estimate does not exceed the previous year's actual costs by 10%, do not complete form HFE-1.1. Simply enter the amount of the estimated claim on form FAM-27, line (05), Estimated. However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form HFE-1.1 must be completed and a statement attached explaining the increased costs. Without this information the high estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Enter the name of the college or community college district that provided student health services in the 1986/87 fiscal year and continue to provide the same services during the fiscal year of the claim.
- (04) Compare the level of health services provided during the fiscal year of reimbursement to the 1986/87 fiscal year and indicate the result by marking a check in the appropriate box. If the "Less" box is checked, STOP and do not complete the remaining part of this claim form. No reimbursement is forthcoming.
- (05) Enter the direct cost, indirect cost, and total cost of health services for the fiscal year of claim on line (05). Direct cost of health services is identified on the college expenditures report (individual college's cost of health services as authorized under Education Code § 76355 and included in the district's Community College Annual Financial and Budget Report CCFS-311, EDP Code 6440, column 5). **If the amount of direct costs claimed is different than shown on the expenditures report, provide a schedule listing those community college costs that are in addition to, or a reduction to expenditures shown on the report.** For claiming indirect costs, college districts have the option of using a federally approved rate (i.e., utilizing the cost accounting principles from the Office of Management and Budget Circular A-21), or the State Controller's methodology outlined in "Filing a Claim" of the Mandated Cost Manual for Schools.
- (06) Enter the direct cost, indirect cost, and total cost of health services that are in excess of the level provided in the 1986/87 fiscal year.
- (07) Enter the difference of the cost of health services for the fiscal year of claim, line (05), and the cost of providing current fiscal year health services that is in excess of the level provided in the 1986/87 fiscal year, line (06).
- (08) Complete columns (a) through (g) to provide details on the amount of health service fees that could have been collected. **Do not include students who are exempt from paying health fees established by the Board of Governors and contained in Section 58620 of Title 5 of the California Code of Regulations.** After 01/01/93, the student fees for health supervision and services were \$10.00 per semester, \$5.00 for summer school, and \$5.00 for each quarter. Beginning with the summer of 1997, the health service fees are: \$11.00 per semester and \$8.00 for summer school, or \$8.00 for each quarter.
- (09) Enter the sum of Student Health Fees That Could Have Been Collected, (other than from students who were exempt from paying health fees) [Line (8.1g) + line (8.2g) + line (8.3g) + line (8.4g) + line (8.5g) + line (8.6g)].
- (10) Enter the difference of the cost of providing health services at the 1986/87 level, line (07) and the total health fee that could have been collected, line (09). If line (09) is greater than line (07), no claim shall be filed.
- (11) Enter the total savings experienced by the school identified in line (03) as a direct cost of this mandate. Submit a schedule of detailed savings with the claim.
- (12) Enter the total other reimbursements received from any source, (i.e., federal, other state programs, etc.). Submit a schedule of detailed reimbursements with the claim.
- (13) Subtract the sum of Offsetting Savings, line (11), and Other Reimbursements, line (12), from Total 1986/87 Health Service Cost excluding Student Health Fees.

MANDATED COSTS HEALTH ELIMINATION FEE HEALTH SERVICES		FORM HFE-2	
(01) Claimant:	(02) Fiscal Year costs were incurred:		
(03) Place an "X" in columns (a) and/or (b), as applicable, to indicate which health services were provided by student health service fees for the indicated fiscal years.		(a) FY 1986/87	(b) FY of Claim
Accident Reports			
Appointments			
College Physician, surgeon			
Dermatology, family practice			
Internal Medicine			
Outside Physician			
Dental Services			
Outside Labs, (X-ray, etc.)			
Psychologist, full services			
Cancel/Change Appointments			
Registered Nurse			
Check Appointments			
Assessment, Intervention and Counseling			
Birth Control			
Lab Reports			
Nutrition			
Test Results, office			
Venereal Disease			
Communicable Disease			
Upper Respiratory Infection			
Eyes, Nose and Throat			
Eye/Vision			
Dermatology/Allergy			
Gynecology/Pregnancy Service			
Neuralgic			
Orthopedic			
Genito/Urinary			
Dental			
Gastro-Intestinal			
Stress Counseling			
Crisis Intervention			
Child Abuse Reporting and Counseling			
Substance Abuse Identification and Counseling			
Acquired Immune Deficiency Syndrome			
Eating Disorders			
Weight Control			
Personal Hygiene			
Burnout			
Other Medical Problems, list			
Examinations, minor illnesses			
Recheck Minor Injury			
Health Talks or Fairs, Information			
Sexually Transmitted Disease			
Drugs			
Acquired Immune Deficiency Syndrome			

MANDATED COSTS HEALTH ELIMINATION FEE HEALTH SERVICES	FORM HFE-2
--	-----------------------------

(01) Claimant:	(02) Fiscal Year costs were incurred:
----------------	---------------------------------------

(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health services were provided by student health service fees for the indicated fiscal years.	(a) FY 1986/87	(b) FY of Claim
Child Abuse Birth Control/Family Planning Stop Smoking Library, Videos and Cassettes		
First Aid, Major Emergencies		
First Aid, Minor Emergencies		
First Aid Kits, Filled		
Immunizations Diphtheria/Tetanus Measles/Rubella Influenza Information		
Insurance On Campus Accident Voluntary Insurance Inquiry/Claim Administration		
Laboratory Tests Done Inquiry/Interpretation Pap Smears		
Physical Examinations Employees Students Athletes		
Medications Antacids Antidiarrheal Aspirin, Tylenol, Etc Skin Rash Preparations Eye Drops Ear Drops Toothache, oil cloves Stingkill Midol, Menstrual Cramps Other, list		
Parking Cards/Elevator Keys Tokens Return Card/Key Parking Inquiry Elevator Passes Temporary Handicapped Parking Permits		

MANDATED COSTS HEALTH ELIMINATION FEE HEALTH SERVICES	FORM HFE-2
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(01) Claimant:	(02) Fiscal Year costs were incurred:
----------------	---------------------------------------

(03) Place an "X" in columns (a) and/or (b), as applicable, to indicate which health services were provided by student health service fees for the indicated fiscal years.	(a) FY 1986/87	(b) FY of Claim
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- Referrals to Outside Agencies**
- Private Medical Doctor
 - Health Department
 - Clinic
 - Dental
 - Counseling Centers
 - Crisis Centers
 - Transitional Living Facilities, battered/homeless women
 - Family Planning Facilities
 - Other Health Agencies

- Tests**
- Blood Pressure
 - Hearing
 - Tuberculosis
 - Reading Information
 - Vision
 - Glucometer
 - Urinalysis
 - Hemoglobin
 - EKG
 - Strep A testing
 - PG Testing
 - Monospot
 - Hemacult
 - Others, list

- Miscellaneous**
- Absence Excuses/PE Waiver
 - Allergy Injections
 - Band-aids
 - Booklets/Pamphlets
 - Dressing Change
 - Rest
 - Suture Removal
 - Temperature
 - Weigh
 - Information
 - Report/Form
 - Wart Removal
 - Others, list

- Committees**
- Safety
 - Environmental
 - Disaster Planning

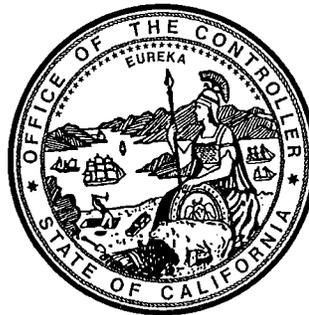
SIERRA JOINT COMMUNITY COLLEGE DISTRICT

Audit Report

HEALTH FEE ELIMINATION PROGRAM

Chapter 1, Statutes of 1984, 2nd Extraordinary Session,
and Chapter 1118, Statutes of 1987

July 1, 2001, through June 30, 2004



STEVE WESTLY
California State Controller

November 2006



STEVE WESTLY
California State Controller

November 15, 2006

Leo E. Chavez, Ed. D.
Superintendent/President
Sierra Joint Community College District
5000 Rocklin Road
Rocklin, CA 95677

Dear Dr. Chavez:

The State Controller's Office audited the costs claimed by Sierra Joint Community College District for the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session, and Chapter 1118, Statutes of 1987) for the period of July 1, 2001, through June 30, 2004.

The district claimed \$578,368 for the mandated program. Our audit disclosed that \$17,522 is allowable and \$560,846 is unallowable. The unallowable costs occurred because the district claimed unsupported direct costs, overstated indirect costs, and understated offsetting revenues. The State paid the district \$390,069. The amount paid exceeds allowable costs claimed by \$372,547.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (COSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at COSM's Web site, at www.csm.ca.gov (Guidebook link); you may obtain IRC forms by telephone, at (916) 323-3562, or by e-mail, at csminfo@csm.ca.gov.

If you have any questions, please contact Jim L. Spano, Chief, Compliance Audits Bureau, at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/wm:vb

cc: Joyce Lopes

Director of Finance

Sierra Joint Community College District

Lawrence Lee, Director

Risk, Feasibility & Loss Control

Sierra Joint Community College District

Wende Rehwald

Health Service Coordinator

Sierra Joint Community College District

Marty Rubio, Specialist

Fiscal Accountability Section

California Community Colleges Chancellor's Office

Jeannie Oropeza, Program Budget Manager

Education Systems Unit

Department of Finance

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Sierra Joint Community College District for the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session, and Chapter 1118, Statutes of 1987) for the period of July 1, 2001, through June 30, 2004. The last day of fieldwork was June 20, 2006.

The district claimed \$578,368 for the mandated program. Our audit disclosed that \$17,522 is allowable and \$560,846 is unallowable. The unallowable costs occurred because the district claimed unsupported direct costs, overstated indirect costs, and understated offsetting revenues. The State paid the district \$390,069. The amount paid exceeds allowable costs claimed by \$372,547.

Background

Chapter 1, Statutes of 1984, 2nd Extraordinary Session (E.S.), repealed *Education Code* Section 72246 which had authorized community college districts to charge a health fee to provide health supervision and services, and medical and hospitalization services, and to operate student health centers. This statute also required that health services for which a community college district charged a fee during fiscal year (FY) 1983-84 had to be maintained at that level in FY 1984-85 and every year thereafter. The provisions of this statute would automatically sunset on December 31, 1987, reinstating the community college districts' authority to charge a health service fee as specified.

Chapter 1118, Statutes of 1987, amended *Education Code* Section 72246 (subsequently renumbered as Section 76355 by Chapter 8, Statutes of 1993). The law requires any community college district that provided health services in FY 1986-87 to maintain health services at the level provided during that year in FY 1987-88 and each fiscal year thereafter.

On November 20, 1986, the Commission on State Mandates (COSM) determined that Chapter 1, Statutes of 1984, 2nd E.S., imposed a "new program" upon community college districts by requiring specified community college districts that provided health services in FY 1983-84 to maintain health services at the level provided during that year in FY 1984-85 and each fiscal year thereafter. This maintenance-of-effort requirement applied to all community college districts that levied a health service fee in FY 1983-84.

On April 27, 1989, COSM determined that Chapter 1118, Statutes of 1987, amended this maintenance-of-effort requirement to apply to all community college districts that provided health services in FY 1986-87, requiring them to maintain that level in FY 1987-88 and each fiscal year thereafter.

Parameters and Guidelines establishes the state mandate and defines reimbursement criteria. COSM adopted *Parameters and Guidelines* on August 27, 1987, and amended it on May 25, 1989. In compliance with *Government Code* Section 17558, the SCO issues claiming instructions for mandated programs, to assist school districts in claiming reimbursable costs.

**Objective,
Scope, and
Methodology**

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Health Fee Elimination Program for the period of July 1, 2001, through June 30, 2004.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted the audit according to *Government Auditing Standards*, issued by the Comptroller General of the United States, and under the authority of *Government Code* Sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We limited our audit scope to planning and performing audit procedures necessary to obtain reasonable assurance that costs claimed were allowable for reimbursement. Accordingly, we examined transactions, on a test basis, to determine whether the costs claimed were supported.

We limited our review of the district's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

We asked the district's representative to submit a written representation letter regarding the district's accounting procedures, financial records, and mandated cost claiming procedures as recommended by *Government Auditing Standards*. However, the district declined our request.

Conclusion

Our audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, Sierra Joint Community College District claimed \$578,368 for costs of the Health Fee Elimination Program. Our audit disclosed that \$17,522 is allowable and \$560,846 is unallowable.

For fiscal year (FY) 2001-02, the State paid the district \$180,817. Our audit disclosed that \$15,713 is allowable. The district should return \$165,104 to the State.

For FY 2002-03, the State paid the district \$209,252. Our audit disclosed that \$1,809 is allowable. The district should return \$207,443 to the State.

For FY 2003-04, the State made no payment to the district. Our audit disclosed that all of the costs claimed are unallowable.

**Views of
Responsible
Official**

We issued a draft audit report on August 30, 2006. Joyce Lopes, Director of Finance, responded by letter dated September 12, 2006 (Attachment), disagreeing with the audit results. This final audit reports includes the district's response.

Restricted Use

This report is solely for the information and use of Sierra Joint Community College District, the California Community Colleges Chancellor's Office, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

**Schedule 1—
Summary of Program Costs
July 1, 2001, through June 30, 2004**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2001, through June 30, 2002</u>				
Salaries and benefits	\$ 265,550	\$ 265,550	\$ —	
Services and supplies	127,205	127,205	—	
Subtotal	392,755	392,755	—	
Less costs of services that exceed services provided in FY 1986-87 base year	(5,000)	(5,000)	—	
Total direct costs	387,755	387,755	—	
Indirect costs	133,350	71,542	(61,808)	Finding 2
Total direct and indirect costs	521,105	459,297	(61,808)	
Less authorized health service fees	(340,288)	(424,239)	(83,951)	Finding 3
Less offsetting savings/reimbursements	—	(19,345)	(19,345)	Finding 4
Total program costs	<u>\$ 180,817</u>	15,713	<u>\$ (165,104)</u>	
Less amount paid by the State		(180,817)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (165,104)</u>		
<u>July 1, 2002, through June 30, 2003</u>				
Salaries and benefits	\$ 358,656	\$ 295,433	\$ (63,223)	Finding 1
Services and supplies	78,904	78,904	—	
Subtotal	437,560	374,337	(63,223)	
Less costs of services that exceed services provided in FY 1986-87 base year	(5,000)	(5,000)	—	
Total direct costs	432,560	369,337	(63,223)	
Indirect costs	151,396	77,782	(73,614)	Findings 1, 2
Total direct and indirect costs	583,956	447,119	(136,837)	
Less authorized health service fees	(349,349)	(426,705)	(77,356)	Finding 3
Less offsetting savings/reimbursements	(25,355)	(18,605)	6,750	Finding 4
Total program costs	<u>\$ 209,252</u>	1,809	<u>\$ (207,443)</u>	
Less amount paid by the State		(209,252)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (207,443)</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2003, through June 30, 2004</u>				
Salaries and benefits	\$ 295,729	\$ 243,004	\$ (52,725)	Finding 1
Services and supplies	76,986	76,986	—	
Subtotal	372,715	319,990	(52,275)	
Less costs of services that exceed services provided in FY 1986-87 base year	(5,000)	(5,000)	—	
Total direct costs	367,715	314,990	(52,725)	
Indirect costs	143,960	69,802	(74,158)	Findings 1, 2
Total direct and indirect costs	511,675	384,792	(126,883)	
Less authorized health service fees	(294,961)	(390,246)	(95,285)	Finding 3
Less offsetting savings/reimbursements	(28,415)	(21,457)	6,958	Finding 4
Adjust for health fees that exceed health program expenditures	—	26,911	26,911	
Total program costs	<u>\$ 188,299</u>	—	<u>\$ (188,299)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>Summary: July 1, 2001, through June 30, 2004</u>				
Salaries and benefits	\$ 919,935	\$ 803,987	\$ (115,948)	Finding 1
Services and supplies	283,095	283,095	—	
Subtotal	1,203,030	1,087,082	(115,948)	
Less costs of services that exceed services provided in FY 1986-87 base year	(15,000)	(15,000)	—	
Total direct costs	1,188,030	1,072,082	(115,948)	
Indirect costs	428,706	219,126	(209,580)	Findings 1, 2
Total direct and indirect costs	1,616,736	1,291,208	(325,528)	
Less authorized health service fees	(984,598)	(1,241,190)	(256,592)	Finding 3
Less offsetting savings/reimbursements	(53,770)	(59,407)	(5,637)	Finding 4
Adjust for health fees that exceed health program expenditures	—	26,911	26,911	
Total program costs	<u>\$ 578,368</u>	17,522	<u>\$ (560,846)</u>	
Less amount paid by the State		(390,069)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (372,547)</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Unsupported salary and benefit costs

The district claimed unsupported salary and benefit costs totaling \$115,948 for the audit period. The related indirect costs total \$42,770.

For fiscal year (FY) 2002-03 and FY 2003-04, the district claimed estimated time spent by academic counselors on personal counseling issues. The district calculated an average salary cost for 19 counselors and claimed 5% of the average cost for each counselor. The district also claimed related benefit costs for FY 2002-03. The district did not provide time logs or a documented time study to support the 5% allocation to health services. In addition, the district did not support the average salary cost or provide documentation that shows that the counselors performed mandate-related activities. The district offered to provide counselors' duty statements to evidence time allocated for personal counseling. However, pre-determined time allocations do not represent actual costs.

Parameters and Guidelines states that districts should support claimed costs with the following information.

1. Employee Salaries and Benefits

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. The average number of hours devoted to each function may be claimed if supported by a documented time study.

Parameters and Guidelines also states that all costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs.

The following table summarizes the audit adjustment.

	Fiscal Year		Total
	2002-03	2003-04	
Salary and benefit costs	\$ (63,223)	\$ (52,725)	\$ (115,948)
Indirect costs	(22,128)	(20,642)	(42,770)
Audit adjustment	<u>\$ (85,351)</u>	<u>\$ (73,367)</u>	<u>\$ (158,718)</u>

Recommendation

We recommend that the district maintain documentation that supports salary and benefit costs claimed. The district should maintain records that document actual time spent on mandate-related activities and maintain a documented time study when the district claims an average number of hours.

District's Response

The draft report eliminates the costs claimed for academic counselors. . . .

These adjustments are not enforceable. There is no requirement in the parameters and guidelines for the claimant to maintain "time logs" of

services provided in order to claim reimbursement. In addition, the Controller has never published time-study standards which comply with the Administrative Procedure Act and therefore cannot enforce these audit “standards” without prior notice to claimants.

Regarding the scope of the counselors’ activities, the personal counseling sessions are within the scope of the activities listed in Title 5 as those for which a student health services fee utilized.

SCO’s Comment

Our finding and recommendation are unchanged. The district did not provide any documentation to support actual time spent or activities performed. Furthermore, the district did not provide any time study documentation.

Parameters and Guidelines states, “Actual costs for one fiscal year should be included in each claim.” *Parameters and Guidelines* also states that all costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs.

In addition, *Parameters and Guidelines* states that districts should support salary and benefit costs claimed by specifying the actual number of hours devoted to each mandated function. Time logs are an example of a valid source document to support salary and benefit costs claimed. *Parameters and Guidelines* also allows districts to claim the average number of hours devoted to each function if supported by a documented time study. However, *Parameters and Guidelines* does not require the SCO to publish time study standards.

**FINDING 2—
Overstated indirect
cost rates claimed**

The district overstated its indirect cost rates, and thus overstated indirect costs by \$166,810 for the audit period.

The district developed indirect cost rate proposals (ICRPs) based on an Office of Management and Budget (OMB) Circular A-21 methodology. However, the district did not obtain federal approval for its ICRPs. Therefore, we calculated indirect cost rates using the alternative methodology (FAM-29C) allowed by the SCO’s claiming instructions. The calculated FAM-29C indirect cost rates did not support the rates claimed. The following table summarizes the claimed and allowable indirect cost rates.

	Fiscal Year		
	2001-02	2002-03	2003-04
Allowable indirect cost rate	18.45%	21.06%	22.16%
Less claimed indirect cost rate	(34.39)%	(35.00)%	(39.15)%
Unsupported indirect cost rate	(15.94)%	(13.94)%	(16.99)%

The following table summarizes the audit adjustment, based on the unsupported indirect cost rates.

	Fiscal Year			Total
	2001-02	2002-03	2003-04	
Allowable direct costs claimed	\$ 387,755	\$ 369,337	\$ 314,990	
Unsupported indirect cost rates	×(15.94)%	×(13.94)%	×(16.99)%	
Audit adjustment	\$ (61,808)	\$ (51,486)	\$ (53,516)	\$ (166,810)

Parameters and Guidelines states that districts may claim indirect costs in the manner described in the SCO's claiming instructions. The SCO's claiming instructions (revised September 2001) state that districts must obtain federal approval for an ICRP prepared in accordance with Office of Management and Budget (OMB) Circular A-21. Alternatively, the SCO's claiming instructions allow districts to compute an indirect cost rate using Form FAM-29C, which is based on total expenditures that districts report in the *California Community Colleges Annual Financial and Budget Report, Expenditures by Activity (CCFS-311)*.

Recommendation

We recommend that the district claim indirect costs based on indirect cost rates computed in accordance with the SCO's claiming instructions. The district must obtain federal approval when it prepares ICRPs in accordance with OMB Circular A-21. Alternatively, the district should prepare its ICRPs using SCO's Form FAM-29C.

District's Response

The Controller asserts that the indirect cost method used by the District was inappropriate since it was not a cost study specifically approved by the federal government. The parameters and guidelines for Health Fee Elimination (as last amended on May 25, 1989) state that "Indirect costs *may be claimed* in the manner described by the Controller in his claiming instructions." The parameters and guidelines *do not require* that indirect costs be claimed in the manner described by the Controller.

The Controller's claiming instructions state that for claiming indirect costs, college districts have the option of using a federally approved rate from the Office of Management and Budget Circular A-21, a rate calculated using form FAM-29C, or a 7% indirect cost rate. The Controller claiming instructions were never adopted as rules or regulations, and therefore have no force of law. The burden is on the Controller to show that the indirect cost rate used by the District is excessive or unreasonable, which is the only mandated cost audit standard in statute (Government Code Section 17651(d)(2)). If the Controller wishes to enforce audit standards for mandated cost reimbursement, the Controller should comply with the Administrative Procedure Act.

Since the Controller has stated no legal basis to disallow the indirect cost rate calculation method used by the District, and has not shown a factual basis to reject the rates as unreasonable or excessive, the adjustments should be withdrawn.

SCO's Comment

Our finding and recommendation are unchanged.

Parameters and Guidelines states, "Indirect costs may be claimed in the manner described by the State Controller in his claiming instructions." The district misinterprets the phrase "may be claimed" by concluding that compliance with the claiming instructions is voluntary. The district's assertion is not valid, since it would allow districts to claim indirect costs in whatever manner they choose. Instead, "may be claimed" simply permits the district to claim indirect costs. However, if the district chooses to claim indirect costs, then the district must comply with the SCO's claiming instructions.

The SCO's claiming instructions state: "A college has the option of using a federally approved rate, utilizing the cost accounting principles from Office of Management and Budget Circular A-21 "Cost Principles for Educational Institutions," or the Controller's methodology outlined in the following paragraphs [FAM-29C]. . . ." This is consistent with *Parameters and Guidelines* for other community college district mandated programs, including the following.

- Absentee Ballots
- Collective Bargaining
- Health Benefits for Survivors of Peace Officers and Firefighters
- Law Enforcement College Jurisdiction Agreements
- Mandate Reimbursement Process
- Open Meetings Act
- Photographic Record of Evidence
- Sex Offenders Disclosure by Law Enforcement Officers
- Sexual Assault Response Procedure

(Note: *Parameters and Guidelines* provides a third option, a 7% flat rate.)

In addition, neither this district nor any other district requested that the Commission on State Mandates (COSM) review the SCO's claiming instructions pursuant to Title 2, *California Code of Regulations* (CCR), Section 1186. Furthermore, the district may not now request a review of the claiming instructions applicable to the audit period. Title 2 CCR Section 1186(j)(2) states, "A request for review filed after the initial claiming deadline must be submitted on or before January 15 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year."

The district contends "The burden is on the Controller to show that the indirect cost rate used by the District is excessive or unreasonable, which is the only mandated cost audit standard in statute. . . ." *Government Code* Section 17558.5 requires the district to file a reimbursement claim for actual mandate-related costs. *Government Code* Section 17561(d)(2) allows the SCO to audit the district's records to verify actual mandate-related costs and reduce any claim that the SCO determines is excessive or unreasonable. In addition, *Government Code* Section 12410 states, "The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for

sufficient provisions of law for payment.” Therefore, the district’s contention is without merit.

Nevertheless, the SCO did in fact conclude that the district’s indirect cost rates were excessive. “Excessive” is defined as “exceeding what is usual, proper, necessary, or normal. . . . Excessive implies an amount or degree too great to be reasonable or acceptable. . . . [Emphasis added.]”¹ The district did not obtain federal approval of its ICRPs. The SCO calculated indirect cost rates using the alternate methodology identified in the SCO’s claiming instructions. The alternate methodology indirect cost rates did not support the rates that the district claimed; thus, the rates claimed were excessive.

¹ Merriam-Webster’s Collegiate Dictionary, Tenth Edition, © 2001.

**FINDING 3—
Understated authorized
health service fees**

The district understated authorized health service fees by \$256,592 for the audit period. The district reported actual fees collected rather than authorized fees.

For FY 2001-02, the district reported health service fees based on a district Health Fees Report, which identified student count and fees collected by location and semester. The Health Fees Report did not reconcile to total health service fee revenue shown in the district’s Financial Summary Report. For FY 2002-03 and FY 2003-04, the district reported actual health service fee revenue as shown in its Financial Summary Reports.

We calculated authorized health service fees using student enrollment data that the district reported to the California Community Colleges Chancellor’s Office and health service fee waivers that were supported by the district’s records.

The following table shows the authorized health service fee calculation.

	Semester			Total
	Summer	Fall	Spring	
<u>Fiscal Year 2001-02</u>				
Student enrollment subject to health service fee	5,291	15,096	16,289	
Authorized health service fee	× \$ (9)	× \$(12)	× \$(12)	
Authorized health service fees, FY 2001-02	<u>\$ (47,619)</u>	<u>\$ (181,152)</u>	<u>\$ (195,468)</u>	<u>\$ (424,239)</u>
<u>Fiscal Year 2002-03</u>				
Student enrollment subject to health service fee	5,993	16,063	15,001	
Authorized health service fee	× \$ (9)	× \$(12)	× \$(12)	
Authorized health service fees, FY 2002-03	<u>\$ (53,937)</u>	<u>\$ (192,756)</u>	<u>\$ (180,012)</u>	<u>\$ (426,705)</u>
<u>Fiscal Year 2003-04</u>				
Student enrollment subject to health service fee	5,434	14,071	14,374	
Authorized health service fee	× \$ (9)	× \$(12)	× \$(12)	
Authorized health service fees, FY 2003-04	<u>\$ (48,906)</u>	<u>\$ (168,852)</u>	<u>\$ (172,488)</u>	<u>\$ (390,246)</u>

The following table summarizes the audit adjustment based on the authorized health service fees calculated.

	Fiscal Year			Total
	2001-02	2002-03	2003-04	
Authorized health service fees	\$ (424,239)	\$ (426,705)	\$ (390,246)	\$(1,241,190)
Less claimed health service fees	340,288	349,349	294,961	984,598
Audit adjustment	\$ (83,951)	\$ (77,356)	\$ (95,285)	\$ (256,592)

Parameters and Guidelines states that health fees authorized by the *Education Code* must be deducted from costs claimed. For the audit period, *Education Code* Section 76355(c) states that health fees are authorized for all students except those who: (1) depend exclusively on prayer for healing; (2) are attending a community college under an approved apprenticeship training program; or (3) demonstrate financial need.

Government Code Section 17514 states that “costs mandated by the state” means any increased costs that a school district is required to incur. To the extent community college districts can charge a fee, they are not required to incur a cost. In addition, *Government Code* Section 17556 states that COSM shall not find costs mandated by the State if the school district has the authority to levy fees to pay for the mandated program or increased level of service.

Recommendation

We recommend that the district offset allowable health services program costs by the amount of health service fees authorized by the *Education Code*. The district should maintain records that support the calculated authorized health service fees and that identify actual student enrollment and students who are exempt from health fees by *Education Code* Section 76355(c).

District’s Response

The District reported actual health services fees collected from students. The Controller calculated the student fees collectible based on the highest student health service fee chargeable, rather the fee actually charged and collected from the student. . . .

STUDENT HEALTH SERVICES FEE AMOUNT

“Authorized” Fee Amount

The Controller alleges that claimants must compute the total student health fees collectible based on the highest “authorized” rate. The Controller does not provide the factual basis for the calculation of the “authorized” rate, nor provide any reference to the “authorizing” source, nor the legal right of any state entity to “authorize” student health services rates absent rulemaking or compliance with the Administrative Procedure Act by the “authorizing” state agency.

Education Code Section 76355

Education Code Section 76355, subdivision (a), states that “The governing board of a district maintaining a community college *may require* community college students to pay a fee . . . for health supervision and services . . .” There is no requirement that community

colleges levy these fees. The permissive nature of the provision is further illustrated in subdivision (b) which states “If, pursuant to this section, a fee is required, the governing board of the district shall decide the amount of the fee, if any, that a part-time student is required to pay. The governing board may decide whether the fee shall be mandatory or optional.” (Emphasis supplied in both instances)

Parameters and Guidelines

The Controller asserts that the parameters and guidelines require that health fees authorized by the Education Code must be deducted from the costs claimed. This is a misstatement of the parameters and guidelines. The parameters and guidelines, as last amended on May 25, 1989, state that “Any offsetting savings . . . must be deducted from the costs claimed. . . . This shall include the amount of (student fees) as authorized by Education Code Section 72246(a).²” Therefore, while student fees actually collected are properly used to offset costs, student fees that could have been collected, but were not, are not an offset.

Government Code Section 17514

The Controller relies upon Government Code Section 17514 for the conclusion that “[t]o the extent community college districts can charge a fee, they are not required to incur a cost. . . .”

There is nothing in the language of the statute regarding the authority to charge a fee, any nexus of fee revenue to increased cost, nor any language which describes the legal effect of fees collected.

Government Code Section 17556

The Controller relies upon Government Code Section 17556 for the conclusion that the “COSM shall not find costs mandated by the State if the school district has the authority to levy fees to pay for the mandated program or increased level of service. . . .”

The Controller misrepresents the law. Government Code Section 17556 prohibits the Commission on State Mandates from finding costs subject to reimbursement, that is approving a test claim activity for reimbursement, where the authority to levy fees in an amount sufficient to offset the entire mandated costs. Here, the Commission has already approved the test claim and made a finding of a new program or higher level of service for which the claimants do not have the ability to levy a fee in an amount sufficient to offset the entire mandated costs.

² Former Education Code Section 72246 was repealed by Chapter 8, Statutes of 1993, Section 29, and was replaced by Education Code Section 76355.

SCO’s Comment

Our finding and recommendation are unchanged. *Education Code* Section 76355(a) states:

- (1) The governing board of a district maintaining a community college may require community college students to pay a fee . . . for health supervision and services. . . .
- (2) The governing board of each community college district may increase this fee by the same percentage increase as the Implicit Price Deflator. . . . Whenever that calculation produces an increase of one dollar (\$1) above the existing fee, the fee may be increased by one dollar (\$1).

On March 5, 2001, the California Community Colleges Chancellor's Office (CCCCO) notified districts that, based on the provisions of *Education Code* Section 76355(a), districts may charge a fee of \$12 per semester and \$9 for summer sessions effective with the summer session of 2001.

We agree that community college districts may choose not to levy a health service fee. However, *Education Code* Section 76355(a) provides districts the authority to levy a health services fee. *Government Code* Section 17514 states that "costs mandated by the state" means any increased costs that a school district is required to incur. Furthermore, *Government Code* Section 17556(d) states that the COSM shall not find costs mandated by the State if the school district has the authority to levy fees to pay for the mandated program or increased level of service (i.e., to the extent districts have authority to charge a fee, they are not "required" to incur a cost). Two court cases addressed the issue of fee authority.³ Both cases concluded that "costs" as used in the constitutional provision, exclude "expenses that are recoverable from sources other than taxes." In both cases, the source other than taxes was fee authority.

The district misrepresents the COSM's determination regarding authorized health service fees. The COSM clearly recognized the availability of another funding source by including the fees as offsetting savings in *Parameters and Guidelines*. The COSM's staff analysis of May 25, 1989, states the following regarding the proposed *Parameters and Guidelines* amendments.

Staff amended Item "VIII. Offsetting Savings and Other Reimbursements" to reflect the reinstatement of [the] fee authority.

In response to that amendment, the [Department of Finance (DOF)] has proposed the addition of the following language to Item VIII. to clarify the impact of the fee authority on claimants' reimbursable costs:

"If a claimant does not levy the fee authorized by Education Code Section 72246(a), it shall deduct an amount equal to what it would have received had the fee been levied."

Staff concurs with the DOF proposed language which does not substantively change the scope of Item VIII.

Thus, it is clear that the COSM intended that claimants deduct authorized health service fees from mandate-reimbursable costs claimed. Furthermore, the staff analysis included an attached letter from the CCCCCO dated April 3, 1989. In that letter, the CCCCCO concurred with the DOF and the COSM regarding authorized health service fees.

Since the COSM's staff concluded that DOF's proposed language did not substantively change the scope of staff's proposed language, the COSM staff did not further revise the proposed *Parameters and Guidelines*. However, the COSM's meeting minutes of May 25, 1989 show that the COSM adopted the proposed *Parameters and Guidelines* on consent, with no additional discussion. Therefore, there was no change to the COSM's interpretation regarding authorized health service fees.

³ *County of Fresno v. California* (1991) 53 Cal. 3d 482; *Connell v. Santa Margarita* (1997) 59 Cal. App. 4th 382.

**FINDING 4—
Understated offsetting
revenues**

The district understated offsetting revenues in FY 2001-02 and overstated offsetting revenues in FY 2002-03 and FY 2003-04, resulting in net understated revenues totaling \$5,637 for the audit period.

The district reported no offsetting revenues for FY 2001-02. The district’s FY 2001-02 Financial Summary Report identified offsetting revenue totaling \$14,156; however, this total included “negative revenue” totaling \$1,748 for vaccinations. The district indicated that the correct vaccination revenue amount totaled \$10,162. In its claim, the district offset vaccination expenses totaling \$6,720; therefore, the net vaccination revenue totaled \$3,442. As a result, allowable offsetting revenue totaled \$19,345 for FY 2001-02.

For FY 2002-03 and FY 2003-04, the district claimed offsetting revenue identified in its Financial Summary Reports. However, the offsetting revenue claimed included revenue applicable to vaccinations. For the audit period, the district deducted vaccination costs because the service exceeded base year services provided. Therefore, the district should have excluded the corresponding revenue from total offsetting revenue claimed.

The following table summarizes the audit adjustment.

	Fiscal Year			Total
	2001-02	2002-03	2003-04	
Allowable offsetting revenue	\$ (19,345)	\$ (18,605)	\$ (21,457)	\$ (59,407)
Less claimed offsetting revenue	—	25,355	28,415	53,770
Audit adjustment	<u>\$ (19,345)</u>	<u>\$ 6,750</u>	<u>\$ 6,958</u>	<u>\$ (5,637)</u>

Parameters and Guidelines states:

Any offsetting savings the claimant experiences as a direct result of this statute must be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, e.g., federal, state, etc., shall be identified and deducted from this claim. . . .

Recommendation

We recommend that the district report all offsetting revenues attributable to the health services program, excluding any revenues applicable to services provided that exceed base year services.

District’s Comment

The District is analyzing this finding and may dispute this adjustment at future time.

SCO’s Comment

Our finding and recommendation are unchanged.

**Attachment—
District's Response to
Draft Audit Report**

SIERRA COLLEGE

We facilitate learning, inspire change and build community

September 12th, 2006

Mr. Jim L. Spano, Chief
Compliance Audits Bureau
California State Controller
Division of Audits
P.O. Box 942850
Sacramento, CA 94250-5874

Re: Chapter 1, Statutes of 1984
Health Fee Elimination
State Controller's Audit
Fiscal Years: 2001-02, 2002-03 and 2003-04

Dear Mr. Spano:

This letter is the response of the Sierra Joint Community College District to the letter to Interim President Morgan Lynn, Ed. D., from Jeffrey V. Brownfield, Chief, Division of Audits, State Controller's Office, dated August 30th, 2006, and received by the District on September 5th, 2006, which enclosed a draft copy of the State Controller's Office audit report of the District's Health Fee Elimination claims for the period of July 1st, 2001 through June 30th, 2004.

Finding 1 - Unsupported salary and benefit costs

The draft audit report eliminates the cost claimed for district academic counselors to provide counseling to students on personal issues. The stated reasons for the adjustments are that the district "did not provide time logs or a documented time study" to support the claimed costs, or "provide documentation that shows that the counselors performed mandate-related activities."

These adjustments are not enforceable. There is no requirement in the parameters and guidelines for the claimant to maintain "time logs" of services provided in order to claim reimbursement. In addition, the Controller has never published time-study standards which comply with the Administrative Procedure Act and therefore cannot enforce these audit "standards" without prior notice to claimants.

Regarding the scope of the counselors' activities, the personal counseling sessions are

within the scope of the activities listed in Title 5 as those for which a student health services fee utilized.

Finding 2 - Overstated indirect cost rates claimed

The Controller asserts that the indirect cost method used by the District was inappropriate since it was not a cost study specifically approved by the federal government. The parameters and guidelines for Health Fee Elimination (as last amended on May 25, 1989) state that "Indirect costs *may be claimed* in the manner described by the Controller in his claiming instructions." The parameters and guidelines *do not require* that indirect costs be claimed in the manner described by the Controller.

The Controller's claiming instructions state that for claiming indirect costs, college districts have the option of using a federally approved rate from the Office of Management and Budget Circular A-21, a rate calculated using form FAM-29C, or a 7% indirect cost rate. The Controller claiming instructions were never adopted as rules or regulations, and therefore have no force of law. The burden is on the Controller to show that the indirect cost rate used by the District is excessive or unreasonable, which is the only mandated cost audit standard in statute (Government Code Section 17651(d) (2)). If the Controller wishes to enforce audit standards for mandated cost reimbursement, the Controller should comply with the Administrative Procedure Act.

Since the Controller has stated no legal basis to disallow the indirect cost rate calculation method used by the District, and has not shown a factual basis to reject the rates as unreasonable or excessive, the adjustments should be withdrawn.

Finding 3 - Understated authorized health fees revenues

The District reported actual health services fees collected from students. The Controller calculated the student fees collectible based on the highest student health service fee chargeable, rather the fee actually charged and collected from the student. The difference is an adjustment in the amount of \$256,592 which was never received by the district.

STUDENT HEALTH SERVICES FEE AMOUNT

"Authorized" Fee Amount

The Controller alleges that claimants must compute the total student health fees collectible based on the highest "authorized" rate. The Controller does not provide the factual basis for the calculation of the "authorized" rate, nor provide any reference to the "authorizing" source, nor the legal right of any state entity to "authorize" student health services rates absent rulemaking or compliance with the Administrative Procedure Act by the "authorizing" state agency.

Education Code Section 76355

Education Code Section 76355, subdivision (a), states that "The governing board of a district maintaining a community college may require community college students to pay a fee . . . for health supervision and services . . ." There is no requirement that community colleges levy these fees. The permissive nature of the provision is further illustrated in subdivision (b) which states "if, pursuant to this section, a fee is required, the governing board of the district shall decide the amount of the fee, if any, that a part-time student is required to pay. The governing board may decide whether the fee shall be mandatory or optional." (Emphasis supplied in both instances)

Parameters and Guidelines

The Controller asserts that the parameters and guidelines require that health fees authorized by the Education Code must be deducted from the costs claimed. This is a misstatement of the parameters and guidelines. The parameters and guidelines, as last amended on May 25, 1989, state that "Any offsetting savings . . . must be deducted from the costs claimed . . . This shall include the amount of (student fees) as authorized by Education Code Section 72246(a)¹." Therefore, while student fees actually collected are properly used to offset costs, student fees that could have been collected, but were not, are not an offset.

Government Code Section 17514

The Controller relies upon Government Code Section 17514 for the conclusion that "[t]o the extent community college districts can charge a fee, they are not required to incur a cost." Government Code Section 17514, as added by Chapter 1459, Statutes of 1984, actually states:

"'Costs mandated by the state' means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution."

There is nothing in the language of the statute regarding the authority to charge a fee, any nexus of fee revenue to increased cost, nor any language which describes the legal

¹ Former Education Code Section 72246 was repealed by Chapter 8, Statutes of 1993, Section 29, and was replaced by Education Code Section 76355.

effect of fees collected.

Government Code Section 17556

The Controller relies upon Government Code Section 17556 for the conclusion that the "COSM shall not find costs mandated by the State if the school district has the authority to levy fees to pay for the mandated program or increased level of service." Government Code Section 17556 as last amended by Chapter 589/89 actually states:

"The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency or school district, if after a hearing, the commission finds that: . . .

(d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service. ..."

The Controller misrepresents the law. Government Code Section 17556 prohibits the Commission on State Mandates from finding costs subject to reimbursement, that is approving a test claim activity for reimbursement, where the authority to levy fees in an amount sufficient to offset the entire mandated costs. Here, the Commission has already approved the test claim and made a finding of a new program or higher level of service for which the claimants do not have the ability to levy a fee in an amount sufficient to offset the entire mandated costs.

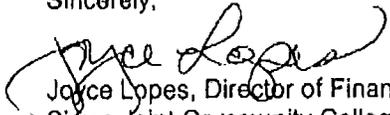
Finding 4- Understated offsetting revenue

The District is analyzing this finding and may dispute this adjustment at future time.

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The District requests that the audit report be changed to comply with the appropriate application of the Government Code concerning audits of mandate claims.

Sincerely,



Joyce Lopes, Director of Finance
Sierra Joint Community College District

cc: Keith Peterson, SixTen and Associates
Linda Fisher, Sierra College
Wende Rehwald, Sierra College
Lawrence Lee, Sierra College

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, California 94250-5874**

<http://www.sco.ca.gov>

**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

1102 Q STREET
SACRAMENTO, CA 95814-6511
(916) 445-8752
HTTP://WWW.CCCCO.EDU



March 5, 2001

To: Superintendents/Presidents
Chief Business Officers
Chief Student Services Officers
Health Services Program Directors
Financial Aid Officers
Admissions and Records Officers
Extended Opportunity Program Directors

From: Thomas J. Nussbaum
Chancellor

Subject: Student Health Fee Increase

Education Code Section 76355 provides the governing board of a community college district the option of increasing the student health services fee by the same percentage as the increase in the Implicit Price Deflator for State and Local Government Purchase of Goods and Services. Whenever that calculation produces an increase of one dollar above the existing fee, the fee may be increased by \$1.00.

Based on calculations by the Financial, Economic, and Demographic Unit in the Department of Finance, the Implicit Price Deflator Index has now increased enough since the last fee increase of March 1997 to support a one dollar increase in the student health fees. Effective with the Summer Session of 2001, districts may begin charging a maximum fee of \$12.00 per semester, \$9.00 for summer session, \$9.00 for each intersession of at least four weeks, or \$9.00 for each quarter.

For part-time students, the governing board shall decide the amount of the fee, if any, that the student is required to pay. The governing board may decide whether the fee shall be mandatory or optional.

The governing board operating a health services program must have rules that exempt the following students from any health services fee:

- Students who depend exclusively upon prayer for healing in accordance with the teachings of a bona fide religious sect, denomination, or organization.

- Students who are attending a community college under an approved apprenticeship training program.
- Students who receive Board of Governors Enrollment Fee Waivers, including students who demonstrate financial need in accordance with the methodology set forth in federal law or regulation for determining the expected family contribution of students seeking financial aid and students who demonstrate eligibility according to income standards established by the board of governors and contained in Section 58620 of Title 5 of the California Code of Regulations.

All fees collected pursuant to this section shall be deposited in the Student Health Fee Account in the Restricted General Fund of the district. These fees shall be expended only to provide health services as specified in regulations adopted by the board of governors. Allowable expenditures include health supervision and services, including direct or indirect medical and hospitalization services, or the operation of a student health center or centers, or both. Allowable expenditures exclude athletic-related salaries, services, insurance, insurance deductibles, or any other expense that is not available to all students. No student shall be denied a service supported by student health fee on account of participation in athletic programs.

If you have any questions about this memo or about student health services, please contact Mary Gill, Dean, Enrollment Management Unit at 916.323.5951. If you have any questions about the fee increase or the underlying calculations, please contact Patrick Ryan in Fiscal Services Unit at 916.327.6223.

CC: Patrick J. Lenz
Ralph Black
Judith R. James
Frederick E. Harris

I:\Fisc\FiscUnit\01StudentHealthFees\01StuHealthFees.doc

CLAIM FOR PAYMENT
Pursuant to Government Code Section 17561
HEALTH FEE ELIMINATION

For State Controller Use only
(19) Program Number 00029
(20) Date File ___/___/___
(21) LRS Input ___/___/___

Program
029

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(01) Claimant Identification Number:
S31090

(02) Mailing Address:

Claimant Name
Sierra Joint Community College District

County of Location
Placer

Street Address
5000 Rocklin Road

City State Zip Code
Rocklin CA 95677

Reimbursement Claim Data	
(22) HFE - 1.0, (04)(b)	\$ 180,817
(23)	
(24)	
(25)	
(26)	
(27)	
(28)	
(29)	
(30)	
(31)	
(32)	
(33)	
(34)	
(35)	
(36)	
(37)	

Type of Claim	Estimated Claim	Reimbursement Claim
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	
Fiscal Year of Cost	(06) 2002-2003	(12) 2001-2002
Total Claimed Amount	(07) \$ 198,000	(13) \$ 180,817
Less: 10% Late Penalty, but not to exceed \$1000	(14) \$ -	(33)
Less: Estimate Claim Payment Received	(15) \$ 57,219	(34)
Net Claimed Amount	(16) \$ 123,598	(35)
Due from State	(08) \$ 198,000	(17) \$ 123,598
Due to State	(18) \$ -	(37)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file claims with the State of California for costs mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, set forth on the attached statements.

Signature of Authorized Officer

Date

Robert Wickstrom

01/10/03

Robert Wickstrom

Director of Business Services

Type or Print Name

Title

(39) Name of Contact Person or Claim

Telephone Number (858) 514-8605

SixTen and Associates

E-Mail Address kbpsixten@aol.com

Program 029	MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY	FORM HFE-1.0
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(01) Claimant: Claimant Name Sierra Joint Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2001-2002
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(03) List all the colleges of the community college district identified in form HFE-1.1, line (03)

	(a) Name of College		(b) Claimed Amount
1.	Sierra College	\$	164,038.71
2.		\$	16,778.58
3.		\$	-
4.		\$	-
5.		\$	-
6.		\$	-
7.		\$	-
8.		\$	-
9.		\$	-
10.		\$	-
11.		\$	-
12.		\$	-
13.		\$	-
14.		\$	-
15.		\$	-
16.		\$	-
17.		\$	-
18.		\$	-
19.		\$	-
20.		\$	-
21.		\$	-
(04) Total Amount Claimed		\$	180,817

[Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)]

Program 029	MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY	FORM HFE-1.1
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(01) Claimant: Sierra Joint Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2001-2002
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(03) Name of College: Sierra College

(04) Indicate with a check mark, the level at which health services were provided during the fiscal year of reimbursement in comparison to the 1986/87 fiscal year. If the "Less" box is checked, STOP, do not complete the form. No reimbursement is allowed.

LESS SAME MORE

	Direct Cost	Indirect Cost of: 34.39%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 357,875	\$ 123,073	\$ 480,948
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87	\$ 5,000.00	\$ 1,720	\$ 6,720
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 352,875	\$ 121,354	\$ 474,229

(08) Complete Columns (a) through (g) to provide detail data for health fees

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester				\$ -			actual
2. Per spring semester				\$ -		\$ -	actual
3. Per summer session				\$ -		\$ -	actual
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -

(09) Total health fees that have been collected [Line (8.1g) + (8.2g) +(8.6g)] \$ 310,190

(10) Sub-total [Line (07) - line (09)] \$ 164,039

Cost Reduction	
(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$ -
(13) Total Amount Claimed [Line (10) - ((line (11) + line (12)))]	\$ 164,039

Program 029	MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY	FORM HFE-1.2
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(01) Claimant: Sierra Joint Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2001-2002
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(03) Name of College Nevada County Center

(04) Indicate with a check mark, the level at which health services were provided during the fiscal year of reimbursement in comparison to the 1986/87 fiscal year. If the "Less" box is checked, STOP, do not complete the form. No reimbursement is allowed.

LESS SAME MORE

	Direct Cost	Indirect Cost of: 34.39%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 34,881	\$ 11,996	\$ 46,877
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87	\$ -	\$ -	\$ -
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 34,881	\$ 11,996	\$ 46,877

(08) Complete Columns (a) through (g) to provide detail data for health fees

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester				\$ -			actual
2. Per spring semester				\$ -		\$ -	actual
3. Per summer session				\$ -		\$ -	actual
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -
(09) Total health fees that have been collected	[Line (8.1g) + (8.2g) +(8.6g)]						\$ 30,098
(10) Sub-total	[Line (07) - line (09)]						\$ 16,779

Cost Reduction		
(11) Less: Offsetting Savings, if applicable		\$ -
(12) Less: Other Reimbursements, if applicable		\$ -
(13) Total Amount Claimed	[Line (10) - {(line (11) + line (12))}]	\$ 16,779

**SIERRA JOINT COMMUNITY COLLEGE DISTRICT
CALCULATION OF INDIRECT COST RATE,
FISCAL YEAR
2000-2001**

*For 01-02
CLAIMS*

REFERENCE (CCFS 311)	DESCRIPTION	2000-2001
INSTRUCTIONAL ACTIVITY		
	Instructional Costs	
	Instructional Salaries and Benefits	21,767,895
	Instructional Operating Expenses	1,255,657
	Instructional Support Instructional Salaries and Benefits	968,481
	Auxiliary Operations Instructional Salaries and Benefits	25,313
	TOTAL INSTRUCTIONAL COSTS 1	24,017,346
	Non-Instructional Costs	
	Non-Instructional Salaries and Benefits	0
	Instructional Admin. Salaries and Benefits	2,795,600
	Instructional Admin. Operating Expenses	329,649
	Auxiliary Classes Non-Inst. Salaries and Benefits	666,857
	Auxiliary Classes Operating Expenses	1,290,626
	TOTAL NON-INSTRUCTIONAL COSTS 2	5,282,732
	TOTAL INSTRUCTIONAL ACTIVITY COSTS 1 + 2	29,300,078
DIRECT SUPPORT ACTIVITY		
	Direct Support Costs	
	Instructional Support Services Non-Inst. Salaries and Benefits	2,376,167
	Instructional Support Services Operating Expenses	704,818
	Admissions and Records	1,165,517
	Counseling and Guidance	1,500,476
	Other Student Services	2,694,961
	TOTAL DIRECT SUPPORT COSTS 4	8,391,939
	TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS 1 (3 + 4)	37,692,017
	Indirect Support Costs	
	Operation and Maintenance of Plant	4,117,987
	Planning and Policy Making	632,202
	General Instructional Support Services	2,213,974
	TOTAL INDIRECT SUPPORT COSTS 6	12,964,163
	TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS AND TOTAL INDIRECT SUPPORT COSTS (5 + 6) = TOTAL COSTS	50,656,180
SUPPORT COSTS ALLOCATION RATES		
Indirect Support Costs Allocation Rate =	Total Indirect Support Costs (6) Total Instructional Activity Costs and Direct Support Costs (5)	34.39%
Direct Support Costs Allocation Rate =	Total Direct Support Costs (4) Total Instructional Activity Costs (3)	28.64%
Total Support Cost Allocation		63.04%

Program
029

**MANDATED COSTS
HEALTH FEE ELIMINATION
COMPONENT/ACTIVITY COST DETAIL**

**FORM
HFE-2.1**

(01) Claimant

Fiscal Year

Sierra Joint Community College District

2001-2002

(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.

(a) FY 1986/87	(b) FY of Claim
----------------------	-----------------------

Accident Reports

X

X

Appointments

X

X

College Physician, surgeon

X

X

Dermatology, Family practice

Internal Medicine

Outside Physician

Dental Services

Outside Labs, (X-ray, etc.)

Psychologist, full services

Cancel/Change Appointments

Registered Nurse

Check Appointments

X

X

X

X

X

X

X

X

X

X

X

X

Assessment, Intervention and Counseling

X

X

Birth Control

Lab Reports

Nutrition

Test Results, office

Venereal Disease

Communicable Disease

Upper Respiratory Infection

Eyes, Nose and Throat

Eye/Vision

Dermatology/Allergy

Gynecology/Pregnancy Service

Neuralgic

Orthopedic

Genito/Urinary

Dental

Gastro-Intestinal

Stress Counseling

Crisis Intervention

Child Abuse Reporting and Counseling

Substance Abuse Identification and Counseling

Eating Disorders

Weight Control

Personal Hygiene

Burnout

Other Medical Problems, list

X

X

X

X

X

X

X

X

X

X

X

X

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X

X

X

X

X

Examinations, minor illnesses

Recheck Minor Injury

X

X

Health Talks or Fairs, Information

Sexually Transmitted Disease

Drugs

Acquired Immune Deficiency Syndrome

Child Abuse

X

X

X

X

X

X

X

X

Program 029	MANDATED COSTS HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL	FORM HFE-2.1	
(01) Claimant Sierra Joint Community College District		Fiscal Year 2001-2002	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.		(a) FY 1986/87	(b) FY of Claim
Birth Control/Family Planning		X	X
Stop Smoking		X	X
Library, Videos and Cassettes		X	X
First Aid, Major Emergencies		X	X
First Aid, Minor Emergencies		X	X
First Aid Kits, Filled			
Immunizations			
Diphtheria/Tetanus			
Measles/Rubella			
Influenza			
Information			
Insurance			
On Campus Accident		X	X
Voluntary		X	X
Insurance Inquiry/Claim Administration		X	X
Laboratory Tests Done			
Inquiry/Interpretation		X	X
Pap Smears		X	X
Physical Examinations			
Employees		X	X
Students		X	X
Athletes		X	X
Medications			
Antacids		X	X
Antidiarrheal		X	X
Aspirin, Tylenol, etc.,		X	X
Skin Rash Preparations		X	X
Eye Drops		X	X
Ear Drops		X	X
Toothache, oil cloves		X	X
Stingkill		X	X
Midol, Menstrual Cramps		X	X
Other, list--> Ibuprofen			
Parking Cards/Elevator Keys			
Tokens			
Return Card/Key			
Parking Inquiry			
Elevator Passes			
Temporary Handicapped Parking Permits			

Program 029	MANDATED COSTS HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL	FORM HFE-2.1	
(01) Claimant Sierra Joint Community College District		Fiscal Year 2001-2002	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.		(a) FY 1986/87	(b) FY of Claim
Referrals to Outside Agencies		X	X
Private Medical Doctor		X	X
Health Department		X	X
Clinic		X	X
Dental		X	X
Counseling Centers		X	X
Crisis Centers		X	X
Transitional Living Facilities, battered/homeless women		X	X
Family Planning Facilities		X	X
Other Health Agencies			
Tests		X	X
Blood Pressure		X	X
Hearing		X	X
Tuberculosis		X	X
Reading		X	X
Information		X	X
Vision		X	X
Glucometer		X	X
Urinalysis		X	X
Hemoglobin			
EKG		X	X
Strep A Testing		X	X
PG Testing		X	X
Monospot		X	X
Hemacult			
Others, list			
Miscellaneous		X	X
Absence Excuses/PE Waiver		X	X
Allergy Injections		X	X
Band-aids		X	X
Booklets/Pamphlets		X	X
Dressing Change		X	X
Rest		X	X
Suture Removal		X	X
Temperature		X	X
Weigh		X	X
Information		X	X
Report/Form			
Wart Removal			
Others, list			
Committees		X	X
Safety			
Environmental			
Disaster Planning			
Skin Rash Preparations			
Eye Drops			

CLAIM FOR PAYMENT
 Pursuant to Government Code Section 17561
HEALTH FEE ELIMINATION

For State Controller Use only
 (19) Program Number 00029
 (20) Date File ___/___/___
 (21) LRS Input ___/___/___

Program
029

L
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(01) Claimant Identification Number:
 S31090

(02) Mailing Address:

Claimant Name
 Sierra Joint Community College District

County of Location
 Placer

Street Address
 5000 Rocklin Road

City State Zip Code
 Rocklin CA 95677

Reimbursement Claim Data

		(22) HFE - 1.0, (04)(b)	\$ 209,252
		(23)	
		(24)	
		(25)	
		(26)	
Type of Claim	Estimated Claim	Reimbursement Claim	(27)
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(28)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)
Fiscal Year of Cost	(06) 2003-2004	(12) 2002-2003	(31)
Total Claimed Amount	(07) \$ 200,000	(13) \$ 209,252	(32)
Less: 10% Late Penalty, but not to exceed \$1000		(14) \$ -	(33)
Less: Estimate Claim Payment Received		(15) \$ -	(34)
Net Claimed Amount		(16) \$ 209,252	(35)
Due from State	(08) \$ 200,000	(17) \$ 209,252	(36)
Due to State		(18) \$ -	(37)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file claims with the State of California for costs mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, set forth on the attached statements.

Signature of Authorized Officer

Date

Joyce Lopes

 Joyce Lopes

Director of Finance

Type or Print Name

Title

(39) Name of Contact Person or Claim

Telephone Number (858) 514-8605

SixTen and Associates

E-Mail Address kbpsixten@aol.com



**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.0**

(01) Claimant: Claimant Name	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> X Estimated <input type="checkbox"/>	Fiscal Year 2002-2003
Sierra Joint Community College District		

(03) List all the colleges of the community college district identified in form HFE-1.1, line (03)

(a) Name of College	(b) Claimed Amount
1. Sierra College and Nevada County Center	\$ 209,252.00
2.	\$ -
3.	\$ -
4.	\$ -
5.	\$ -
6.	\$ -
7.	\$ -
8.	\$ -
9.	\$ -
10.	\$ -
11.	\$ -
12.	\$ -
13.	\$ -
14.	\$ -
15.	\$ -
16.	\$ -
17.	\$ -
18.	\$ -
19.	\$ -
20.	\$ -
21.	\$ -
(04) Total Amount Claimed	\$ 209,252

[Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)]

Program 029	MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY	FORM HFE-1.1
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(01) Claimant: Sierra Joint Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2002-2003
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(03) Name of College Sierra College and Nevada County Center

(04) Indicate with a check mark, the level at which health services were provided during the fiscal year of reimbursement in comparison to the 1986/87 fiscal year. If the "Less" box is checked, STOP, do not complete the form. No reimbursement is allowed.

LESS SAME MORE

	Direct Cost	Indirect Cost of: 35.00%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 437,560	\$ 153,146	\$ 590,706
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87	\$ 5,000	\$ 1,750	\$ 6,750
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 432,560	\$ 151,396	\$ 583,956

(08) Complete Columns (a) through (g) to provide detail data for health fees

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester				\$ -			
2. Per spring semester				\$ -		\$ -	
3. Per summer session				\$ -		\$ -	
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -

(09) Total health fees that could have been collected [Line (8.1g) + (8.2g) +(8.6g)] \$ 349,349

(10) Sub-total [Line (07) - line (09)] \$ 234,607

Cost Reduction

(11) Less: Offsetting Savings, if applicable \$ -

(12) Less: Other Reimbursements, if applicable \$ 25,355

(13) Total Amount Claimed [Line (10) - (line (11) + line (12))] \$ 209,252

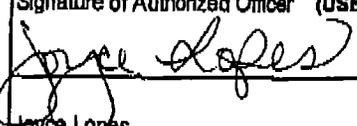
**SIERRA JOINT COMMUNITY COLLEGE DISTRICT
CALCULATION OF INDIRECT COST RATE,
FISCAL YEAR
2001-2002**

For 02-09 claims

REFERENCE (CCFS 311)	DESCRIPTION	2001-2002
INSTRUCTIONAL ACTIVITY		
	Instructional Costs	
	Instructional Salaries and Benefits	25,326,971
	Instructional Operating Expenses	1,314,647
	Instructional Support Instructional Salaries and Benefits	0
	Auxiliary Operations Instructional Salaries and Benefits	0
	TOTAL INSTRUCTIONAL COSTS 1	26,641,618
	Non-Instructional Costs	
	Non-Instructional Salaries and Benefits	0
	Instructional Admin. Salaries and Benefits	2,723,525
	Instructional Admin. Operating Expenses	513,444
	Auxiliary Classes Non-Inst. Salaries and Benefits	414,041
	Auxiliary Classes Operating Expenses	228,243
	TOTAL NON-INSTRUCTIONAL COSTS 2	3,879,253
	TOTAL INSTRUCTIONAL ACTIVITY COSTS 3 (1 + 2)	30,520,871
DIRECT SUPPORT ACTIVITY		
	Direct Support Costs	
	Instructional Support Services Non Inst. Salaries and Benefits	1,582,740
	Instructional Support Services Operating Expenses	338,502
	Admissions and Records	1,382,746
	Counselling and Guidance	2,565,093
	Other Student Services	3,503,777
	TOTAL DIRECT SUPPORT COSTS 4	9,372,858
	TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS 5 (3 + 4)	39,893,729
	Indirect Support Costs	
	Operation and Maintenance of Plant	4,024,342
	Planning and Policy Making	1,489,655
	General Instructional Support Services	8,450,636
	TOTAL INDIRECT SUPPORT COSTS 6	13,964,633
	TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS, AND TOTAL INDIRECT SUPPORT COSTS (5 + 6) = TOTAL COSTS	53,858,362
SUPPORT COSTS ALLOCATION RATES		
Indirect Support Costs Allocation Rate =	Total Indirect Support Costs (6) Total Instructional Activity Costs and Direct Support Costs (5)	35.00%
Direct Support Costs Allocation Rate =	Total Direct Support Costs (4) Total Instructional Activity Costs (3)	30.71%
Total Support Cost Allocation		65.71%

Program 029	MANDATED COSTS HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL	FORM HFE-2.1	
(01) Claimant Sierra Joint Community College District		Fiscal Year 2002-2003	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.		(a) FY 1986/87	(b) FY of Claim
Accident Reports		X	X
Appointments			
College Physician, surgeon		X	X
Dermatology, Family practice		X	X
Internal Medicine			
Outside Physician			
Dental Services		X	X
Outside Labs, (X-ray, etc.,)		X	X
Psychologist, full services		X	X
Cancel/Change Appointments		X	X
Registered Nurse		X	X
Check Appointments		X	X
Assessment, Intervention and Counseling			
Birth Control		X	X
Lab Reports		X	X
Nutrition		X	X
Test Results, office		X	X
Venereal Disease		X	X
Communicable Disease		X	X
Upper Respiratory Infection		X	X
Eyes, Nose and Throat		X	X
Eye/Vision		X	X
Dermatology/Allergy		X	X
Gynecology/Pregnancy Service		X	X
Neuralgic		X	X
Orthopedic		X	X
Genito/Urinary		X	X
Dental		X	X
Gastro-Intestinal		X	X
Stress Counseling		X	X
Crisis Intervention		X	X
Child Abuse Reporting and Counseling			
Substance Abuse Identification and Counseling		X	X
Eating Disorders			
Weight Control		X	X
Personal Hygiene		X	X
Burnout		X	X
Other Medical Problems, list		X	X
Examinations, minor illnesses			
Recheck Minor Injury		X	X
Health Talks or Fairs, Information			
Sexually Transmitted Disease		X	X
Drugs		X	X
Acquired Immune Deficiency Syndrome			
Child Abuse			

Program 029	MANDATED COSTS HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL	FORM HFE-2.1	
(01) Claimant Sierra Joint Community College District		Fiscal Year 2002-2003	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.		(a) FY 1986/87	(b) FY of Claim
Birth Control/Family Planning		X	X
Stop Smoking		X	X
Library, Videos and Cassettes		X	X
First Aid, Major Emergencies		X	X
First Aid, Minor Emergencies		X	X
First Aid Kits, Filled			
Immunizations			
Diphtheria/Tetanus			
Measles/Rubella			
Influenza			
Information			
Insurance			
On Campus Accident		X	X
Voluntary		X	X
Insurance Inquiry/Claim Administration		X	X
Laboratory Tests Done			
Inquiry/Interpretation		X	X
Pap Smears		X	X
Physical Examinations			
Employees		X	X
Students		X	X
Athletes		X	X
Medications			
Antacids		X	X
Antidiarrheal		X	X
Aspirin, Tylenol, etc.,		X	X
Skin Rash Preparations		X	X
Eye Drops		X	X
Ear Drops		X	X
Toothache, oil cloves		X	X
Stingkill		X	X
Midol, Menstrual Cramps		X	X
Other, list--> Ibuprofen			
Parking Cards/Elevator Keys			
Tokens			
Return Card/Key			
Parking Inquiry			
Elevator Passes			
Temporary Handicapped Parking Permits			

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 HEALTH FEE ELIMINATION		Program 234	
(01) Claimant Identification Number: CC31090		(19) Program Number 00234	(20) Date Filed ___/___/___
(02) Claimant Name: Sierra Joint Community College District		(21) LRS Input ___/___/___	(22) HFE-1.0, (04)(b) 188,299
(03) County of Location: Placer		(23)	
(04) Street Address: 5000 Rocklin Road		(24)	
(05) City: Rocklin	(06) State: CA	(07) Zip Code: 95677	(25)
Type of Claim		Reimbursement Claim	
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26)	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27)	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28)	
(06) Fiscal Year of Cost: 2004-2005	(12) 2003-2004	(29)	
(07) Total Claimed Amount: \$ 207,000	(13) \$ 188,299	(30)	
Less: 10% Late Penalty	(14) \$	(31)	
Less: Prior Claim Payment Received	(15) \$	(32)	
Net Claimed Amount	(16) \$ 188,299	(33)	
(08) Due from State: \$ 207,000	(17) \$ 188,299	(34)	
Due to State	(18)	(35)	
(37) CERTIFICATION OF CLAIM			
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1099 to 1096, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer (USE BLUE INK)		Date	
		1/11/5	
Joyce Lopes		Director of Finance	
Type or Print Name		Title	
(38) Name of Contact Person for Claim			
SixTen and Associates		Telephone Number: (858) 514-8605	
		E-mail Address: kbpsixten@aol.com	

MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY	FORM HFE-1.0
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(01) Claimant: Sierra Joint Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2003-2004
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(03) List all the colleges of the community college district identified in form HFE-1.1, line (03)

(a) Name of College	(b) Claimed Amount
1. Sierra College and Nevada County Center	\$188,299.42
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21.	

(04) Total Amount Claimed	[Line (3.1b) + line (3.2b) + line (3.3b) + ... line (3.21b)]
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\$ 188,299.42

PROGRAM 234	MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY	FORM HFE-1.1
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(01) Claimant: Sierra Joint Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2003-2004
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(03) Name of College: Sierra College and Nevada County Center

(04) Indicate with a check mark, the level at which health services were provided during the fiscal year of reimbursement in comparison to the 1986/87 fiscal year. If the "Less" box is checked, STOP, do not complete the form. No reimbursement is allowed.

LESS SAME MORE

	Direct Cost	Indirect Cost of: 39.15%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 372,715	\$ 145,918	\$ 518,633
(06) Cost of providing current fiscal year health services in excess of 1986/87	\$ 5,000	\$ 1,958	\$ 6,958
(07) Cost of providing current fiscal year health services at 1986/87 level [Line (05) - line (06)]	\$ 367,715	\$ 143,960	\$ 511,675

(08) Complete Columns (a) through (g) to provide detail data for health fees

Collection Period	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code §76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code §76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per Fall Semester				\$ -		\$ -	\$ -
2. Per Spring Semester				\$ -		\$ -	\$ -
3. Per Summer Session				\$ -		\$ -	\$ -
4. Per First Quarter				\$ -		\$ -	\$ -
5. Per Second Quarter				\$ -		\$ -	\$ -
6. Per Third Quarter				\$ -		\$ -	\$ -

(09) Total health fee that could have been collected: The sum of (Line (08)(1)(c) through line (08)(6)(c)) \$ 294,961

(10) Subtotal [Line (07) - line (09)] \$ 216,714

Cost Reduction

(11) Less: Offsetting Savings, if applicable \$ -

(12) Less: Other Reimbursements, if applicable \$ 28,415.00

(13) Total Amount Claimed [Line (10) - (line (11) + line (12))] \$ 188,299

**SIERRA JOINT COMMUNITY COLLEGE DISTRICT
CALCULATION OF INDIRECT COST RATE,
FISCAL YEAR
2002-2003**

FOR 03/04
CLAIMS

REFERENCE (CCFS 311)	DESCRIPTION	2002-2003
INSTRUCTIONAL ACTIVITY		
	Instructional Costs	
	Instructional Salaries and Benefits	25,235,043
	Instructional Operating Expenses	1,393,198
	Instructional Support Instructional Salaries and Benefits	0
	Auxiliary Operations Instructional Salaries and Benefits	0
	TOTAL INSTRUCTIONAL COSTS 1	26,628,241
	Non-Instructional Costs	
	Non-Instructional Salaries and Benefits	74,749
	Instructional Admin. Salaries and Benefits	2,871,099
	Instructional Admin. Operating Expenses	760,415
	Auxiliary Classes Non-Inst. Salaries and Benefits	0
	Auxiliary Classes Operating Expenses	0
	TOTAL NON-INSTRUCTIONAL COSTS 2	3,706,263
	TOTAL INSTRUCTIONAL ACTIVITY COSTS 3 (1 + 2)	30,334,504
DIRECT SUPPORT ACTIVITY		
	Direct Support Costs	
	Instructional Support Services Non Inst. Salaries and Benefits	1,671,428
	Instructional Support Services Operating Expenses	260,933
	Admissions and Records	1,476,483
	Counseling and Guidance	2,642,059
	Other Student Services	3,699,469
	TOTAL DIRECT SUPPORT COSTS 4	9,750,372
	TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS 5 (1 + 4)	40,084,876
	Indirect Support Costs	
	Operation and Maintenance of Plant	4,188,443
	Planning and Policy Making	1,830,726
	General Instructional Support Services	9,673,637
	TOTAL INDIRECT SUPPORT COSTS 6	15,692,806
	TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS, AND TOTAL INDIRECT SUPPORT COSTS (5 + 6) = TOTAL COSTS	55,777,682
SUPPORT COSTS ALLOCATION RATES		
Indirect Support Costs Allocation Rate =	Total Indirect Support Costs (6) Total Instructional Activity Costs and Direct Support Costs (5)	39.15%
Direct Support Costs Allocation Rate =	Total Direct Support Costs (4) Total Instructional Activity Costs (3)	32.14%
Total Support Cost Allocation		71.29%

Program 029	MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL	FORM HFE-2	
(01) Claimant Sierra Joint Community College District		(02) Fiscal Year costs were incurred: 2003-2004	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.		(a) FY 1986/87	(b) FY of Claim
Accident Reports		X	X
Appointments			
College Physician, surgeon		X	X
Dermatology, Family practice		X	X
Internal Medicine			
Outside Physician			
Dental Services			
Outside Labs, (X-ray, etc.,)		X	X
Psychologist, full services		X	X
Cancel/Change Appointments		X	X
Registered Nurse		X	X
Check Appointments		X	X
Assessment, Intervention and Counseling			
Birth Control		X	X
Lab Reports		X	X
Nutrition		X	X
Test Results, office		X	X
Venereal Disease		X	X
Communicable Disease		X	X
Upper Respiratory Infection		X	X
Eyes, Nose and Throat		X	X
Eye/Vision		X	X
Dermatology/Allergy		X	X
Gynecology/Pregnancy Service		X	X
Neuralgic		X	X
Orthopedic		X	X
Genito/Urinary		X	X
Dental		X	X
Gastro-Intestinal		X	X
Stress Counseling		X	X
Crisis Intervention		X	X
Child Abuse Reporting and Counseling			
Substance Abuse Identification and Counseling		X	X
Eating Disorders		X	X
Weight Control		X	X
Personal Hygiene		X	X
Burnout		X	X
Other Medical Problems, list			
Examinations, minor illnesses			
Recheck Minor Injury		X	X
Health Talks or Fairs, Information			
Sexually Transmitted Disease		X	X
Drugs		X	X
Acquired Immune Deficiency Syndrome			
Child Abuse			

Program 029	MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL	FORM HFE-2	
(01) Claimant Sierra Joint Community College District		(02) Fiscal Year costs were incurred: 2003-2004	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.		(a) FY 1986/87	(b) FY of Claim
Birth Control/Family Planning		X	X
Stop Smoking		X	X
Library, Videos and Cassettes		X	X
First Aid, Major Emergencies		X	X
First Aid, Minor Emergencies		X	X
First Aid Kits, Filled			
Immunizations			
Diphtheria/Tetanus			
Measles/Rubella			
Influenza			
Information			
Insurance			
On Campus Accident		X	X
Voluntary		X	X
Insurance Inquiry/Claim Administration		X	X
Laboratory Tests Done			
Inquiry/Interpretation		X	X
Pap Smears		X	X
Physical Examinations			
Employees		X	X
Students		X	X
Athletes		X	X
Medications			
Antacids		X	X
Antidiarrheal		X	X
Aspirin, Tylenol, etc.,		X	X
Skin Rash Preparations		X	X
Eye Drops		X	X
Ear Drops		X	X
Toothache, oil cloves		X	X
Stingkill		X	X
Midol, Menstrual Cramps		X	X
Other, list-->			
Parking Cards/Elevator Keys			
Tokens			
Return Card/Key			
Parking Inquiry			
Elevator Passes			
Temporary Handicapped Parking Permits			

Program 029	MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL	FORM HFE-2	
(01) Claimant Sierra Joint Community College District		(02) Fiscal Year costs were incurred: 2003-2004	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.		(a) FY 1996/97	(b) FY of Claim
Referrals to Outside Agencies			
Private Medical Doctor		X	X
Health Department		X	X
Clinic		X	X
Dental		X	X
Counseling Centers		X	X
Crisis Centers		X	X
Transitional Living Facilities, battered/homeless women		X	X
Family Planning Facilities		X	X
Other Health Agencies		X	X
Tests			
Blood Pressure		X	X
Hearing		X	X
Tuberculosis		X	X
Reading		X	X
Information		X	X
Vision		X	X
Glucometer		X	X
Urinalysis		X	X
Hemoglobin		X	X
EKG			
Strep A Testing		X	X
PG Testing		X	X
Monospot		X	X
Hemacult		X	X
Others, list			
Miscellaneous			
Absence Excuses/PE Waiver		X	X
Allergy Injections		X	X
Band-aids		X	X
Booklets/Pamphlets		X	X
Dressing Change		X	X
Rest		X	X
Suture Removal		X	X
Temperature		X	X
Weigh		X	X
Information		X	X
Report/Form			
Wart Removal			
Others, list			
Committees			
Safety		X	X
Environmental			
Disaster Planning			