



KATHLEEN CONNELL
Controller of the State of California

February 20, 2002

RECEIVED

FEB 21 2002

**COMMISSION ON
STATE MANDATES**

Shirley Opie, Assistant Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: Incorrect Reduction Claims
Certification of Teacher Evaluator's Demonstrated Competence
Milpitas Unified School District, CSM 01-4136-I-043
Education Code Section 35160.5
Statutes of 1983, Chapter 498

Dear Ms. Opie:

This letter constitutes the Controller's Office response to the above-entitled incorrect reduction claim. It appears that the issues involved in the IRCs received recently concerning this mandate are identical. Therefore, the analysis in the IRCs numbered CSM 01-4136-I-041 through CSM 01-4136-I-047 is identical. However, the responses are being submitted under separate cover to facilitate record keeping, and because the supporting documentation is slightly different in each case.

In the end, the outcome of these IRCs comes down to the terms of the Parameters & Guidelines. The Parameters & Guidelines simply do not provide for reimbursement of the wages of probationary teachers. They provide for costs related to probationary teachers such as: (1) Training, assisting, and evaluating probationary teachers (over and above that usually provided to permanent teachers); (2) Training materials and clerical services; (3) Registration fees and travel costs to attend training activities; (4) Costs of substitute teachers so that probationary teachers may attend training sessions; (5) Costs of consultants to train and assist probationary teachers, if needed. Notably absent is any reference to the salaries of probationary teachers. Since there is no provision in the Parameters & Guidelines for the reimbursement of probationary teachers salaries, these IRCs should be denied.

MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250
SACRAMENTO 300 Capitol Mall, Suite 1850, Sacramento, CA 95814 (916) 445-2636
LOS ANGELES 600 Corporate Pointe, Suite 1150, Culver City, CA 90230 (310) 342-5678

Claimant's reliance on the *Physical Performance and American Government Course Document Requirements Parameters & Guidelines* is misplaced. Although reference to other Parameters & Guidelines may be appropriate when attempting to interpret a phrase of a Parameter & Guideline, claimant is attempting to add language in this case, rather than merely interpret it. The appropriate process for that type of change would be an amendment to the Parameters & Guidelines. In fact, Stockton Unified School District submitted such a request on April 4, 1995 (Exhibit 1). Apparently, they believed that the Parameters & Guidelines did not properly address probationary teachers salaries. However, that request was ultimately withdrawn before it was ever heard (Exhibit 2). Claimant should not be allowed to circumvent the required procedures for an amendment by using an IRC to add language to a set of Parameters & Guidelines, therefore their request should be denied.

Please find attached the analysis of the Division of Accounting and Reporting (Exhibit 3), as well as relevant supporting documentation, with declaration (Exhibit 4). Exhibits referred to in DAR's analysis are either included or have already been exchanged between the parties.

Sincerely,



SHAWN D. SILVA
Staff Counsel

cc: Stephen Smith

Exhibit 1



STOCKTON UNIFIED SCHOOL DISTRICT

701 NORTH MADISON STREET • STOCKTON, CA 95202-1687
(209) 953-4124 • FAX (209) 953-4477

BUSINESS SERVICES

BOARD OF EDUCATION

JOSE A. BERNARDO
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JAMES L. URBANI
SUPERINTENDENT
GARY MCHENRY

April 4, 1995

W. Mearns
7/23/95

RECEIVED

APR 05 1995

COMMISSION ON
STATE MANDATES

Ms. Shelly Mateo
Interim Executive Director
Commission on State Mandates
1414 K Street, Suite 315
Sacramento, CA 95814

Dear Ms. Mateo:

Pursuant to Title 2, California Code of Regulations, Section 1183.2 enclosed is our district's request to amend the parameters and guidelines for the **Certification of Teacher Evaluator's Demonstrated Competence** mandate. This mandate was enacted by **Chapter 498/Statutes of 1983**.

We have enclosed a narrative outlining the reasons the amendment is required as well as proposed amended parameters and guidelines. The proposed changes to the current parameters and guidelines have been underlined.

If you have any questions, please contact our consultant, Steve Smith of Mandate Cost Systems at (916) 487-4435.

Thank you for your cooperation.

Sincerely,

Norma Mearns

Norma E. Mearns
Director of Budget

NEM:cmb

enclosure:

**Justification for Amendment to the Parameters & Guidelines
for Certification of Teacher Evaluator's Demonstrated Competence
Chapter 498/Statutes of 1983**

The current Parameters & Guidelines for Certification of Teacher Evaluator's Demonstrated Competence, Chapter 498, Statutes of 1983 do not address whether the time spent by probationary teachers receiving training, assistance or evaluation, over and above that usually provided to permanent teachers, is claimable.

We have specifically identified the following activities/costs as new programs implemented to comply with the requirements of this mandate. The increased activities required of probationary teachers as a result of this mandate are:

- 1) Probationary teacher time spent attending district sponsored training sessions that are provided specifically for probationary teachers. These sessions take place after school and prior to the start of the school year.
- 2) Probationary teacher time spent receiving assistance or training on a weekly or monthly basis, from district employees as part of the district's probationary teacher training & assistance program.

The district sponsored training sessions prior to the start of school represents a new program because most districts bring in their probationary teachers one or two days earlier than their permanent teacher to orientate them to the district and provide training specific to their needs. This is accomplished by requiring that probationary teachers work 185 day years instead of the 183 day year required of permanent teachers.

Likewise, after school district sponsored training sessions and one-on-one training received from employees with assigned responsibilities to train and assist probationary teachers represents a new program because it takes probationary teachers away from other duties that they perform outside the classroom.

Precedents in other claims

Precedents in other claims exist that provide reimbursement for time spent receiving training. These include:

- 1) The Emergency Procedures, Earthquakes and Disasters claim, Chapter 1659/Statutes of 1984 allows reimbursement for "the costs by the district of employees attending these meetings to receive instruction" (on earthquake and disaster procedures).

- 2) The Collective Bargaining claim, Chapter 961/Statutes of 1975 allows reimbursement for "reasonable costs incurred for a reasonable number of training sessions held for supervisory and management personnel regarding contract administration and the interpretation of the negotiated contract".
- 3) The Certification of Teacher Evaluator's Demonstrated Competence, Chapter 498/Statutes of 1983 allows reimbursement for "time of district administrators spent in certification training excluding classroom observation"
- 4) District employee time receiving various training are also listed as reimbursable under the
 - a) Mandate Reimbursement Process claim, Chapter 1459/Statutes of 1984,
 - b) Credential Monitoring claim, Chapter 1376/Statutes of 1987 and
 - c) AIDS Instruction, Chapter 818/Statutes of 1991

Restrictions

We have identified other time spent by probationary teachers attributable to this mandate, however based on precedents from other claims are not requesting reimbursement for them. These are listed below and should be identified as restrictions.

- 1) In-classroom probationary teacher receiving hands-on training (In classroom teacher time restriction from the Emergency Procedures, Earthquakes & Disasters Chapter 1659/States of 1984 and AIDS Instruction, Chapter 818/Statutes of 1991)
- 2) In cases where substitutes are provided, the district can only claim the substitute cost.

PROPOSED AMENDMENT

Adopted: 4/24/86
Amended: 1/24/91
WP 1080A

PARAMETERS AND GUIDELINES

Education Code Section 35160.5

Chapter 498, Statutes of 1983

Certification of Teacher Evaluator's Demonstrated Competence

I. Summary of Mandate

In enacting Chapter 498, Statutes of 1983 the Legislature required each school district and county office of education to adopt rules and regulations; to certify that personnel assigned to evaluate teachers have demonstrated specified competence in instructional methodologies and in the evaluation of teachers; to ensure that each probationary teacher was assigned to a school with assurances that his or her status as a new teacher and his or her potential needs for training, assistance, and evaluations will be recognized by the district or county office of education; and to establish policies and procedures which parents or guardians of pupils enrolled in the district may use to present complaints regarding employees of the district and to provide for appropriate mechanisms to respond to, and where possible resolve, the complaints.

II. Commission on State Mandates Decision

- A. The Commission found that Education Code section 35160.5, as added by Statutes of 1983, Chapter 498 constitutes a reimbursable state mandate. Furthermore, the Commission found that only the activities necessary to implement section 35160.5 constitute a higher level of service pursuant to Government Code section 17514 and are, therefore, reimbursable.

- B. The Commission determined that only the higher level of service required by section 35160.5 in each school district or county office of education is reimbursable. Those activities and functions already performed prior to the effective date of section 35160.5 do not constitute a higher level of service and are therefore not reimbursable.

- C. The finding of a reimbursable state mandate does not mean that all increased costs claimed will be reimbursed. Reimbursement, if any, is subject to Commission approval of parameters and guidelines for reimbursement of the claim, and a statewide cost estimate; legislative appropriation; a timely-filed claim for reimbursement; and subsequent review of the claim by the State Controller.

III. Eligible Claimants

All school districts and county offices of education as defined by Revenue and Taxation Code section 2208.5, that incurred mandated costs as result of implementing Chapter 498, Statutes of 1983, Education Code section 35160.5.

IV. Period of Reimbursement

All costs incurred on or after July 28, 1983. If total costs for a given fiscal year total less than \$200 no reimbursement shall be allowed, except as provided for in Revenue and Taxation Code section 2233, which allows County Superintendents and County fiscal officers to consolidate claims of school districts and special districts that, taken individually, are less than \$201.

V. Reimbursable Costs

- A. Certification that personnel assigned to evaluate teachers have demonstrated competence in instructional methodologies and evaluation for teachers they are assigned to evaluate. The determination of whether school personnel meet the district's adopted policies shall be made by the governing board.

1. Adoption of rules and regulations establishing school district and/or county office of education policies and annual review of these policies.
 - a. Time and direct expenses of school district or county office of education personnel necessary for the preparation, discussion and distribution of proposed rules and regulations and the annual review of adopted school district and county office of education policies adopted pursuant to the requirements of this section.

2. Training programs provided for administrators to meet the certification requirements adopted by the governing board of the school district or county office of education in conformance with Education Code section 35160.5. Individual administrator training expenses to meet certification requirements shall be allowed for a maximum of ten days (eighty hours) of training in any three-year period.
 - a. Time of district administrators spent in certification training excluding classroom observation.
 - b. Mileage to and return, meals and materials for administrators attending locally provided training sessions. The reimbursement shall be the same as that provided for by the District for other District activities.
 - c. Transportation, meals, housing and cost of training for administrators if certification training is not locally available. The reimbursement shall follow the same rules as provided by the State of California for its employees when traveling on business.
 - d. Consultant fees, materials, travel, meals and housing for trainers contracted with to train district administrators locally.

- e. Preparation and presentation time, mileage, meals, clerical costs and materials for district employees utilized as trainers of administrators for certification.
- B. The establishment of district or county office of education policies ensuring that each probationary certificated employee is assigned to a school within the district with assurances that his or her status as a new teacher and his or her potential needs for training, assistance, and evaluations will be recognized by the district or county office of education.
- 1. Training, assisting and evaluating probationary teachers over and above that usually provided to permanent teachers by the district or county office of education. Copies of the approved previous policy and a copy of the subsequent policy must be included with claims for reimbursement. The cost of services or activities provided to probationary teachers funded by the Mentor Teacher Program can not be claimed as a reimbursable cost.
 - a. Time provided by personnel, other than the site principal, to train, assist or evaluate probationary teachers.
 - b. Training materials and clerical services for probationary teachers.
 - c. Registration fees and travel costs of probationary teachers attending training activities.
 - d. Costs of substitute teachers provided for probationary teachers so that they might attend training activities including visitations to other teachers' classrooms to observe teaching techniques (limited to three such visitations per semester).

- e. Costs of consultants provided to train and assist probationary teachers if personnel with the required skills are not available within the school district or county office of education.
- f. Probationary teacher time spent attending district or county office sponsored training sessions specific to probationary teachers after school or prior to the start of the school year.
- g. Probationary teacher time spent receiving assistance or training from district or county office employees as part of the probationary teacher training and assistance program.
- h. In-classroom probationary teacher time spent receiving training or assistance is not claimable.
- i. In cases where a substitute is provided, the claimant is only eligible to claim the substitute and not the probationary teacher's time.

C. The establishment of policies and procedures which parents or guardians of pupils enrolled in the district may use to present complaints regarding employees of the district that provide for appropriate mechanisms to respond to, and where possible resolve, the complaints.

1. Cost of meetings and activities over and above those that would have been required prior to the adoption of rules and regulations by the governing board of the school district or county office of education in compliance with Education Code section 35160.5. These costs shall include the cost of notification of parents and pupils of complaint procedures, the time of school district or county office of education personnel involved in these meetings and activities including mileage, supplies and when necessary specialized training of personnel to adequately respond to complaints of pupils and parents regarding employees.

2. Costs shall not be allowed for meetings and activities required by categorical program and/or special education rules and regulations.

VI. Offsetting Savings

Any offsetting savings the claimants experience as a result of this statute must be deducted from the costs claimed.

VII. Professional and Consultant Services

Claimants shall separately show the name of professionals or consultants, specify the functions which the consultants performed relative to the mandate, length of appointment, and the itemized costs for such services. Invoices must be submitted as supporting documentation with the claim. The maximum reimbursable fee for contracted services is \$65 per hour, adjusted annually by the GNP Deflator. Those claims which are based on annual retainers shall contain a certification that the fee is no greater than the above maximum. Reasonable expenses will also be paid as identified on the monthly billings of consultants.

VIII. Allowable Overhead Costs

The overhead cost for all of the above reimbursable costs shall be the Non-Restrictive Indirect Cost Rate from the J-41A.

IX. Supporting Data for Claims

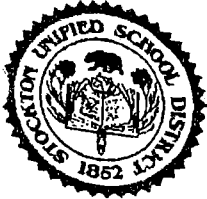
Effective July 1, 1986 documentation shall be provided that a request for no cost consultant services similar to those submitted for reimbursement was made by the district to the State Department of Education at least thirty (30) calendar days prior to the need for consultant services and that the district was notified that such consultant service was not available at the time requested or that the District did not receive a response to its request within twenty

(20) calendar days after the request had been received by the State Department of Education.

X. State Controller's Office Required Certification

An authorized representative of the claimant will be required to provide a certification of claim, as specified in the State Controller's claiming instructions, for those costs mandated by the state contained herein.

Exhibit 2



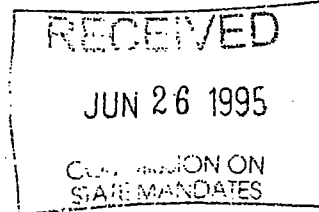
STOCKTON UNIFIED SCHOOL DISTRICT

BOARD OF EDUCATION

BUSINESS MANAGER
701 NORTH MADISON STREET • STOCKTON, CA 95202-1687
(209) 953-4055 • FAX (209) 953-4477

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JAMES L. URBANI
SUPERINTENDENT
GARY MCHENRY

June 23, 1995



Mr. Kirk Stewart
Executive Director
Commission on State Mandates
1414 K Street, Suite 315
Sacramento, CA 95814

Dear Mr. Stewart:

This letter is to inform you that we are withdrawing our request dated April 4, 1995 to amend the Parameters and Guidelines for the Certification of Teacher Evaluator's Demonstrated Competence mandate. This mandate was enacted by Chapter 498/Statutes of 1983.

This request is being withdrawn because after numerous discussions with Commission Staff and other interested parties, it is clear that any positive action resulting from clarifying this issue is more than offset by the possibility that re-opening this claim could result in the entire claim being denied.

If you have any questions, please contact our consultant, Steve Smith, of Mandated Cost Systems at (916) 487-4435.

Sincerely,

Norma E. Mearns
Director of Budget

NEM:mw

Exhibit 3

**Santa Maria-Bonita School District
Certification of Teacher Evaluators Demonstrated Competence
Analysis of Incorrect Reduction Claim
For Fiscal Year 1995/96**

Exhibit 1: Declaration of Virginia Brummels;

Exhibit 2: Analysis of Santa Maria-Bonita School District (SMBSD) Incorrect Reduction Claim (IRC);

Exhibit 3: Includes a copy of the IRC for the Certification of Teacher Evaluators Demonstrated Competence program for the SMBSD;

On November 26, 1997, the SMBSD filed an actual claim of \$56,142 for the state mandated Certification of Teacher Evaluators Demonstrated Competence (CTEDC) program. The CTEDC mandated cost claim was filed based on actual costs, and the SMBSD included costs for probationary teachers' salaries and wages in the amount of \$10,400 and indirect costs of \$471, for a total of \$10,871.

Exhibit 4: Includes copies of the reimbursement claim and supporting documentation;

Exhibit 5: Includes a copy of the Annual Claiming Instructions for School Districts;

The mandate was amended on January 24, 1991, to allow for reimbursement of individual administrator training, for a maximum of ten days (eighty hours in any three-year period). This amendment was considered necessary due to Chapter 498, Statutes of 1983 where the Legislature required each school district to adopt rules and regulations to certify that personnel assigned to evaluate teachers have demonstrated specified competence in instructional methodologies to evaluate probationary teachers; to ensure that each probationary teacher was assigned to a school with assurance that his or her status as a new teacher and his or her potential needs for training, assistance, and evaluations will be recognized by the district or county office of education; and to establish policies and procedures which parents or guardians of pupils enrolled in the district, may use to present complaints regarding employees of the district and to provide for appropriate mechanisms to respond to, and when possible, resolve the complaints. The training reimbursement is for assistance and evaluating probationary teachers. The training of probationary teachers is not to include the cost of salaries and wages for the Mentor Teacher Program.

Reimbursement is provided for the cost of substitute teachers to allow probationary teachers to attend training activities, including visitations to other teachers' classrooms to observe teaching techniques (limit of three visits).

Santa Maria-Bonita School District
Certification of Teacher Evaluators Demonstrated Competence
For Fiscal Year 1995-96

Exhibit 6: Includes a copy of the Commission on State Mandates' (COSM) Parameters and Guidelines (P's & G's);

Refer to Section V., Reimbursable Costs; B states as follows:

"The establishment of district or county office of education policies ensuring that each probationary certificated employee is assigned to a school within the district with assurances that his or her status as a new teacher and his or her potential needs for training, assistance, and evaluations will be recognized by the district or county office of education.

1. Training, assisting and evaluating probationary teachers over and above that usually provided to permanent teachers by the district or county office of education. Copies of the approved previous policy and a copy of the subsequent policy must be included with claims for reimbursement. The cost of services or activities provided to probationary teachers funded by the Mentor Teacher Program can not be claimed as a reimbursable cost:
 - a. Time provided by personnel, other than the site principal, to train, assist or evaluate probationary teachers;
 - b. Training materials and clerical services for probationary teachers;
 - c. Registration fees and travel costs of probationary teachers attending training activities;
 - d. Costs of substitute teachers provided for probationary teachers so that they might attend training activities, including visitations to other teachers' classrooms to observe teaching techniques (limited to three such visitations per semester).; and
 - e. Costs of consultants provided to train and assist probationary teachers, if personnel with the required skills are not available within the school district or county office of education."

The State Controller's Office (SCO) claiming instructions (Exhibit 4) are in agreement with the adopted P's & G's in this exhibit.

Santa Maria-Bonita School District
Certification of Teacher Evaluators Demonstrated Competence
For Fiscal Year 1995-96

Exhibit 7: Includes a copy of the SCO Notice of Claim Adjustment letter, dated April 30, 1999;

SCO letter notifies the SMBSD that the amount of \$10,871 for salaries and benefits of probationary teachers in training is disallowed. This letter further states "...P's and G's do not provide reimbursement for probationary teachers training costs. In lieu of that, the P's and G's reimburse the cost of substitute teachers while the probationary teachers attend training activities."

Exhibit 8: Includes a copy of a letter dated June 23, 1985, from Stockton Unified School District (SUSD);

This letter contains a narrative outlining the reasons the amendment is required and includes proposed amendments to the P's & G's to clarify reimbursement for probationary teachers' salaries and wages. In the letter dated April 4, 1995, SUSD proposed the following amendments to the Section V., Reimbursable Costs, B. 1. of the P's and G's last amended and adopted on January 24, 1991. The proposed amendments are as follows:

- "f. Probationary teacher time spent attending district or county office sponsored training sessions specific to probationary teachers after school or prior to the start of the school year;
- g. Probationary teacher time spent receiving assistance or training from district or county office employees as part of the probation teacher training and assistance program;
- h. In-classroom probationary teacher time spent receiving training or assistance is not claimable; and
- i. In cases where a substitute is provided, the claimant is only eligible to claim the substitute and not the probationary teachers' time.

Exhibit 9: Includes a copy of a letter dated April 4, 1995, from SUSD;

On June 23, 1995, the Director of Budgets for SUSD corresponded in writing to Kirk Stewart, the Executive Director of the COSM, and withdrew their request for clarification due to their conversations with the COSM staff, that any positive action resulting from clarifying this issue could result in the possibility that re-opening this

Page 4

Santa Maria-Bonita School District
Certification of Teacher Evaluators Demonstrated Competence
For Fiscal Year 1995-96

claim could result in the entire amendment being denied. Any questions were referred to their consultant, Steve Smith of Mandated Cost Systems. This clearly demonstrates that the reimbursement of training time for probationary teachers was on the "wish list" but was deemed not the right time to clarify the issue. The withdrawal of this action (6/23/95 letter) brings this issue of reimbursement before the COSM in the form of an incorrect reduction claim. Therefore, this is not an issue of the SCO incorrectly reducing the district's claim, but a means for the district to obtain reimbursement for what they withdrew as an amendment to the Ps & Gs.

Exhibit 4

OFFICE OF THE STATE CONTROLLER

300 Capitol Mall, Suite 1850

Sacramento, CA 94250

Telephone No.: (916) 445-6854

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

No.: CSM 01-4136-I-043

AFFIDAVIT OF CUSTODIAN

INCORRECT REDUCTION CLAIM ON:

Certification of Teacher
Evaluator's Demonstrated
Competence

Education Code section 35160.5
Statutes of 1983, Chapter 498

MILPITAS UNIFIED SCHOOL

DISTRICT, Claimant

I, Virginia Brummels make the following declarations:

- 1) I am an employee of the State Controller's Office and over the age of 18 years.
- 2) I am currently employed as an Accounting Administrator II, and have been so for the past year. Before that I was employed as a Staff Management Auditor-Specialist, and Accounting Administrator I Specialist and Supervisor for 14 years.
- 3) As a section manager in the Department of Accounting & Reporting I have access to, and am involved in, the intake and processing of claims for reimbursement for expenditures mandated by the state.

1 4) I am a duly authorized custodian of records or other
2 qualified witness with authority to certify such records.

3 5) Any attached copies of records are true copies of records as
4 retained at our place of business.

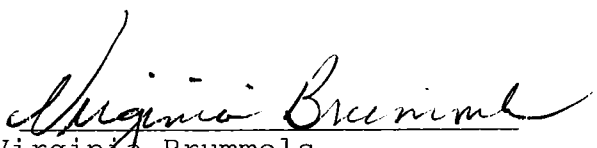
5 4) The records were prepared or received by the personnel of our
6 office in the ordinary course of business at or near the time of
the act, condition, or event.

7 5) The records include claims for reimbursement, along with any
8 attached supporting documentation, remittance advices,
9 explanatory letters, or other documents relating to the above-
entitled Incorrect Reduction Claim.

10
11 I do declare that the above declarations are made under
12 penalty of perjury and are true and correct to the best of my
13 knowledge, and that such knowledge is based on personal
14 observation, information, or belief.

15
16 Date: January 29, 2002

17 OFFICE OF THE STATE CONTROLLER

18
19 By: 
20 Virginia Brummels
21 Section Manager
22 Local Reimbursement Section
23
24
25



KATHLEEN CONNELL
 Controller of the State of California

April 30, 1999

Mr. Steve Smith
 President
 Mandated Cost Systems, Inc.
 2275 Watt Avenue, Suite C
 Sacramento, CA 95825

Dear Mr. Smith:

RE: NOTICE OF CLAIM ADJUSTMENT
 MILPITAS UNIFIED SCHOOL DISTRICT
 CHAPTER 498/83 CERTIFICATION OF TEACHER EVALUATORS
 FISCAL YEAR 1995-1996

This is in reply to your letter dated March 16, 1999 regarding the above claim for reimbursement of mandated cost program. The result of our review is as follows:

Amount Claimed		\$112,872
Adjustment to Claim:		
<i>Probationary Certificated Employee Policies</i>		
The amount of \$52,727 for salaries and benefits of probationary teachers in training is disallowed. Parameters and guidelines do not provide reimbursement for probationary teachers training costs. In lieu of that, the P's & G's reimburse the cost of substitute teachers while the probationary teachers attend training activities.	-\$52,727	
Sub-total on Adjustment for Direct Costs		-\$52,727
Adjustment of Indirect Costs (\$6,206-\$2,131)		-4,075
Total Adjustment for Claim		-\$56,802
Approved Claim		\$56,070
Less: Prior Payment of 1/26/96 & 5/15/97		-40,642
Amount Due Claimant		<u>\$15,428</u>

April 30, 1999

If you have any questions, please contact Eduardo Antonio at (916) 323-0755 or in writing at the State Controller's Office, Attn: Local Reimbursements Section, Division of Accounting and Reporting, P.O. Box 942850, Sacramento, CA 94250-5875.

Sincerely,



JEFF YEE, Manager
Local Reimbursements Section

JY:ea

cc: Barbara Santos, Milpitas Unified School Dist.
Tom Gray, Milpitas Unified School Dist.

February 19, 2002

To whom it may concern:

The records in this case are quite voluminous. Given the fact that the IRC appears to hinge on a legal issue, rather than factual issue, they have not been included. If any party feels they need to have a copy or copies, they will be provided upon request.

Sincerely,



SHAWN D. SILVA
Staff Counsel

PROOF OF SERVICE VIA FIRST CLASS UNITED STATES MAIL

I am a citizen of the United States and a resident of the County of Sacramento. I am over the age of 18 years and not a party to the within entitled action. My place of employment and business address is 300 Capitol Mall, Suite 1850, Sacramento, California 95814.

On February 20, 2002, I served the foregoing **INCORRECT REDUCTION CLAIMS OF SARATOGA, DAVIS, ELK GROVE, MERCED, MILPITAS, SANTA MARIA AND DAVIS** by causing the same to be deposited in the United States Mail to the person(s) named below at the address(es) shown:

Stephen Smith
Mandated Cost Systems, Inc.
2275 Watt Avenue, Suite C
Sacramento, CA 95825

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on February 20, 2002, at Sacramento, California.



SHAWN SILVA