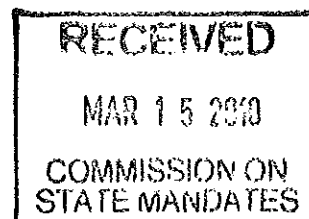




JOHN CHIANG  
California State Controller



March 10, 2010

Nancy Patton, Asst. Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814

Keith B. Petersen  
SixTen and Associates  
5252 Balboa Avenue, Suite 807  
San Diego, CA 92117

Re: **Incorrect Reduction Claim**  
*Health Fee Elimination, 07-4206-I-16*  
Education Code Section 76355;  
Statutes 1984, 2<sup>nd</sup> E.S., Chapter 1; Statutes 1987, Chapter 1118;  
Fiscal Years 2001-02, 2002-03, and 2003-04  
Sierra Joint Community College District, Claimant

Dear Ms. Patton and Mr. Petersen:

This letter is in response to the above-entitled Incorrect Reduction Claim. The subject claims were reduced because the district claimed unsupported salaries and benefits, overstated its allowable indirect cost rates, and understated offsetting revenues and authorized health service fees. The reductions were appropriate and in accordance with law.

The Controller's Office is empowered to audit claims for mandated costs and to reduce those that are "excessive or unreasonable."<sup>1</sup> This power has been affirmed in recent cases, such as the Incorrect Reductions Claims (IRCs) for the *Graduation Requirements* mandate.<sup>2</sup> If the claimant disputes the adjustments made by the Controller pursuant to that power, the burden is upon them to demonstrate that they are entitled to the full amount of the claim. This principle likewise has been upheld in the *Graduation Requirements* line of IRCs.<sup>3</sup> In this case, the Claimant has not come forward with source documentation or other reliable information to support all of the costs claimed. Instead,

<sup>1</sup> See Government Code section 17561, subdivisions (d)(1)(C) and (d)(2), and section 17564.

<sup>2</sup> See for example, the Statement of Decision in the Incorrect Reduction Claim of San Diego Unified School District [No. CSM 4435-I-01 and 4435-I-37], adopted September 28, 2000, at page 9.

<sup>3</sup> See for example, the Statement of Decision in the Incorrect Reduction Claim of San Diego Unified School District [No. CSM 4435-I-01 and 4435-I-37], adopted September 28, 2000, at page 16.

March 10, 2010

Page 2

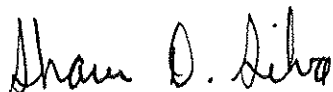
the Claimant utilized an estimate that 5% of its "counseling costs" were for mandated activities. However, the Claimant does not provide any source documentation or approved time study to support this assertion. An estimate is not a valid substitute, as the Parameters & Guidelines requires that the claimant "specify the actual number of hours devoted to each function,"<sup>4</sup> in order to claim employee salaries and benefits. Therefore, these claimed costs are unsupported and thus, disallowed.

In addition, the Claimant utilizes an unapproved, outdated indirect cost rate. The Parameters and Guidelines provide for the use of an ICRP determined using the OMB Circular A-21, method or the SCO's FAM-29C. Since the Claimant did not have a current ICRP, the auditors utilized the FAM-29C and determined that the allowable rate was much less than claimed. The claim was thus reduced to reflect the allowable rate.

The Claimant understated authorized health services fees, confusing collected with authorized. The Parameters and Guidelines provide that offsetting savings shall include the amount authorized for student fees. The relevant amount is not the amount charged, nor the amount collected, rather, it is the amount authorized. This is consistent with mandates law in general, and specific case law on point.<sup>5</sup>

Enclosed please find a complete detailed analysis from our Division of Audits, exhibits, and supporting documentation with declaration.

Sincerely,



SHAWN D. SILVA  
Staff Counsel

SDS/ac

Enclosure

cc: Joyce Lopes, Sierra Joint Community College District  
Ginny Brummels, Div. of Acctg. & Rptg., State Controller's Office (w/o encl.)  
Jim Spano, Division of Audits, State Controller's Office (w/o encl.)

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<sup>4</sup> See Parameters & Guidelines, as amended on May 25, 1989, Page 6, Subdivision VI(B)(1).

<sup>5</sup> See *Connell v. Santa Margarita Water District* (1997) 59 Cal.App.4th 382.

1 **PROOF OF SERVICE**

2 I am employed in the County of Sacramento, State of California. At the time of service, I was at least 18  
3 years of age, a United States citizen employed in the county where the mailing occurred, and not a party to the  
within action. My business address is 300 Capitol Mall, Suite 1850, Sacramento, CA 95814.

4 On March 10, 2010, I served the foregoing document entitled:

5 **SCO'S RESPONSE TO THE INCORRECT REDUCTION CLAIM FOR**  
6 **SIERRA JOINT COMMUNITY COLLEGE DISTRICT, CSM 07-4206-I-16**

7 on all interested parties in this action by placing a true and correct copy thereof enclosed in a sealed envelope,  
addressed as follows:

8 Nancy Patton (*original*)  
9 Assistant Executive Director  
Commission on State Mandates  
10 980 Ninth Street, Suite 300  
Sacramento, CA 95814

Keith B. Petersen  
SixTen and Associates  
5252 Balboa Avenue, Suite 807  
San Diego, CA 92117

11 Joyce Lopes, Director of Finance  
Sierra Joint Community College District  
12 5000 Rocklin Road  
Rocklin, CA 95677-3397

13  **BY MAIL**

14 I placed the envelope for collection and processing for mailing following this business's ordinary practice with  
which I am readily familiar. On the same day correspondence is placed for collection and mailing, it is deposited  
15 in the ordinary course of business with the United States Postal Service.

16  **BY PERSONAL SERVICE**

I caused to be delivered by hand to the above-listed addressees.

17  **BY OVERNIGHT MAIL/COURIER**

18 To expedite the delivery of the above-named document, said document was sent via overnight courier for next day  
delivery to the above-listed party.

19  **BY FACSIMILE TRANSMISSION**

20 In addition to the manner of service indicated above, a copy was sent by facsimile transmission to the above-listed  
party.

21 I declare that I am employed in the office of a member of the bar of this court at whose direction the  
22 service was made. I declare under penalty of perjury under the laws of California that the foregoing is true and  
correct.

23 Executed on March 10, 2010, at Sacramento, California.

24   
25 Amber A. Camarena

**RESPONSE BY THE STATE CONTROLLER’S OFFICE TO THE  
INCORRECT REDUCTION CLAIM BY  
SIERRA JOINT COMMUNITY COLLEGE DISTRICT  
Health Fee Elimination Program**

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# **Tab 1**

1 **OFFICE OF THE STATE CONTROLLER**

2 300 Capitol Mall, Suite 1850  
3 Sacramento, CA 94250  
4 Telephone No.: (916) 445-6854

4 BEFORE THE  
5 COMMISSION ON STATE MANDATES  
6 STATE OF CALIFORNIA  
7

8  
9 INCORRECT REDUCTION CLAIM ON:

No.: CSM 07-4206-I-16

10 *Health Fee Elimination Program*

AFFIDAVIT OF BUREAU CHIEF

11 Chapter 1, Statutes of 1984, 2<sup>nd</sup>  
12 Extraordinary Session, and Chapter 1118,  
13 Statutes of 1987

14 SIERRA JOINT COMMUNITY  
15 COLLEGE DISTRICT, Claimant

16 I, Jim L. Spano, make the following declarations:

- 17 1) I am an employee of the State Controller's Office (SCO) and am over the age of 18  
18 years.
- 19 2) I am currently employed as a bureau chief, and have been so since April 21, 2000.  
20 Before that, I was employed as an audit manager for two years and three months.
- 21 3) I am a California Certified Public Accountant.
- 22 4) I reviewed the work performed by the SCO auditor.
- 23 5) Any attached copies of records are true copies of records, as provided by the Sierra Joint  
24 Community College District or retained at our place of business.
- 25 6) The records include claims for reimbursement, along with any attached supporting  
documentation, explanatory letters, or other documents relating to the above-entitled  
Incorrect Reduction Claim.


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7) A field audit of the claims for fiscal year (FY) 2001-02, FY 2002-03, and FY 2003-04 commenced on July 12, 2005, and ended on June 30, 2006.

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

Date: February 5, 2009

OFFICE OF THE STATE CONTROLLER

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

## **Tab 2**

**STATE CONTROLLER'S OFFICE ANALYSIS AND RESPONSE  
TO THE INCORRECT REDUCTION CLAIM BY  
SIERRA JOINT COMMUNITY COLLEGE DISTRICT  
For Fiscal Year (FY) 2001-02, FY 2002-03, and FY 2003-04**

**Health Fee Elimination Program  
Chapter 1, Statutes of 1984, 2<sup>nd</sup> Extraordinary Session,  
and Chapter 1118, Statutes of 1987**

**SUMMARY**

The following is the State Controller's Office's (SCO) response to the Incorrect Reduction Claim (IRC) that the Sierra Joint Community College District submitted on September 27, 2007. The SCO audited the district's claims for costs of the legislatively mandated Health Fee Elimination Program for the period of July 1, 2001, through June 30, 2004. The SCO issued its final report on November 15, 2006 (**Exhibit E**).

The district submitted reimbursement claims totaling \$578,368 as follows:

- FY 2001-02—\$180,817 (**Exhibit G**)
- FY 2002-03—\$209,252 (**Exhibit G**)
- FY 2003-04—\$188,299 (**Exhibit G**)

The SCO audit disclosed that \$17,522 is allowable and \$560,846 is unallowable. The costs are unallowable because the district claimed unsupported salaries and benefits, overstated its allowable indirect cost rates, and understated offsetting revenues and authorized health service fees. The State paid the district \$227,858. The following table summarizes the audit results, including current amounts paid by the State:

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>	<u>Audit Adjustment</u>	<u>Reference</u>
<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		<u>(18,606)<sup>1</sup></u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (2,893)</u>		

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
<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		(1,809) <sup>1</sup>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<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		— <sup>1</sup>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>	<u>Audit Adjustment</u>	<u>Reference</u>
<u>Summary: July 1, 2001, through June 30, 2004</u>				
Salaries and benefits	\$ 919,935	\$ 803,987	\$ (115,948)	
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)	
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)	
Less offsetting savings/reimbursements	(53,770)	(59,407)	(5,637)	
Adjust for health fees that exceed health program expenditures	—	26,911	26,911	
Total program costs	\$ 578,368	17,522	\$ (560,846)	
Less amount paid by the State		(20,415)		
Allowable costs claimed in excess of (less than) amount paid		\$ (2,893)		

<sup>1</sup> Payment information reflects net amount paid as of February 5, 2009.

The district's IRC contests audit adjustments totaling \$582,120. The district believes that its salaries and benefits are properly supported, that its indirect cost rates claimed are appropriate, and that it reported the correct amount of health service fee revenues. In addition, the district believes that the SCO made unauthorized changes to the State payment amounts that the district reported for FY 2001-02 and FY 2002-03.

**I. SCO REBUTTAL TO STATEMENT OF DISPUTE—  
CLARIFICATION OF REIMBURSABLE ACTIVITIES, CLAIM CRITERIA, AND  
DOCUMENTATION REQUIREMENTS**

**Parameters and Guidelines**

On August 27, 1987, the Commission on State Mandates (CSM) adopted the program's parameters and guidelines for Chapter 1, Statutes of 1984, 2<sup>nd</sup> Extraordinary Session. The CSM amended the parameters and guidelines on May 25, 1989 (**Exhibit C**), because of Chapter 1118, Statutes of 1987.

The CSM parameters and guidelines (amended May 25, 1989) state:

**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 . . . [see Exhibit B for a list of reimbursable items].

**VI. CLAIM PREPARATION**

**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/her 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 . . . authorized by Education Code Section 72246 for health services [now Education Code Section 76355].

### SCO Claiming Instructions

The SCO annually issues claiming instructions, which contain filing instructions for mandated cost programs. The September 2002 claiming instructions, Part 5, subdivision B(2) (Tab 3) states: "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]...." The September 2002 claiming instructions are believed to be, for the purposes and scope of the audit period, substantially similar to the version extant at the time the district filed its FY 2001-02, FY 2002-03, and FY 2003-04 mandated cost claims.

## II. THE DISTRICT CLAIMED UNSUPPORTED SALARIES AND BENEFITS FOR PERSONAL COUNSELING

### Issue

The district claimed unsupported salaries and benefits totaling \$115,948. The related indirect costs total \$42,770. The district identified these costs as being related to time spent on "personal counseling." The district believes that it provided adequate documentation to support these costs.

### SCO Analysis:

For 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 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 showing that the counselors performed mandate-related activities.

### District's Response

#### Activities Claimed

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

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

Title 5, CCR, Section 54702<sup>1</sup> indicates these services performed by the District counselors are appropriate for the health services program funded by the student health services fee. Title 5, CCR, Section 54704<sup>1</sup>, indicates that it is appropriate to prorate the cost to only the portion of the cost applicable to the student health services program where the expense is not exclusively for student health program, as the District did.

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

#### Source Documentation

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

The parameters and guidelines at Part IV Period of Reimbursement state: Actual costs for one fiscal year should be included in each claim."

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

The parameters and guidelines further state at Part VII Supporting Data: "All costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs."

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

In addition, the Controller has never published documentation time study standards which comply with the Administrative Procedures Act, and therefore cannot enforce these audit "standards" without prior notice to claimants.

The District has complied with the parameters and guidelines as it has provided source documents that show evidence of the validity of such costs and their relationship to the state-mandated program. It has also provided employee names, positions (job titles), productive hourly rates, salary and benefit amounts, and a description of the tasks performed as they relate to this mandate. Personal counseling sessions are within the scope of activities listed in the parameters and guidelines under Title V as those for which a student health services fee [may be] utilized. Thus, the District has provided documentation generated in the usual course of business as well as generated for the purpose of claiming mandate reimbursement. Also, none of the adjustments were made because the costs claimed were excessive or unreasonable, which is the only statutory mandated cost audit standard.

<sup>1</sup> Please see the District's Incorrect Reduction Claim for footnotes.

### SCO's Comment

The district's response fails to identify the full duty statement for district counselors. The district e-mailed the duty statement to the SCO on January 30, 2006 (Tab 4). The duty statement shows that a counselor's responsibilities include many duties unrelated to the mandated program, such as academic advising/educational planning, career/vocational counseling and development, instruction, outreach/liaison, and student advocacy/ development. In addition, the district's response fails to disclose that the duty statement referenced is dated February 1997, over four years before the audit period. The district did not provide any documentation showing that this duty statement is representative of a counselor's duties during the audit period.

The duty statement's "personal counseling" section also includes both mandate-related and non-mandate-related activities. Neither Title 5, California Code of Regulations (CCR), section 54702, nor the program's parameters and guidelines identify duties such as development of interpersonal skills, clarification of values and goals, and development of decision-making skills as mandated activities.

Furthermore, the district did not provide any documentation showing the actual time that employees spent performing mandated activities or showing that employees actually performed mandated activities. A duty statement is merely a list of responsibilities; it does not document activities actually performed. We agree that Title 5 CCR section 54704 allows the district to prorate costs applicable to the student health services program. However, the district did not provide documentation that adequately supports the counseling costs that it allocated to the mandated program. Instead, the district provided two worksheets to support personal counseling claimed costs (Tab 5). The worksheets state, "Approximately 5% of 19 counselor's time" [emphasis added]. Thus, the worksheets do not document actual costs. As the district summarized in its response, the parameters and guidelines require claimants to specify the actual number of hours devoted to mandated activities. Furthermore, the parameters and guidelines require that costs claimed be traceable to source documents "that show evidence of the validity of such costs," such as evidence that employees actually performed the mandated activities. The district did not provide such evidence.

The district attempts to deflect attention from the audit issue by focusing on documentation that the SCO requested for other claimed costs and time study standards. The district's arguments are not relevant on both points.

The district states, "The Controller allowed all other claimed salaries and no 'time logs' were requested. The only difference is that the counseling costs were in a different general ledger cost account and had to be allocated to the student health services from that account." This is an erroneous conclusion. The remaining claimed salaries were mostly for nurses whose duties were fully related to the health center. Conversely, the counselors' alleged duties were mostly unrelated to the health center and the district provided no documentation to support actual mandate-related time spent by counselors.

The district also states, "The Controller has never published documentation time study standards which comply with the Administrative Procedure Act, and therefore cannot enforce these audit 'standards' without prior notice to claimants." While the parameters and guidelines allow districts to claim salaries and benefits based on a documented time study, neither the parameters and guidelines nor statutory language require the SCO to publish time study standards.

The district also states, "None of the adjustments were made because the costs claimed were excessive or unreasonable, which is the only statutory mandated cost audit standard." Government Code section 17558.5 requires the district to file a reimbursement claim for actual mandate-related costs. Government Code section 17561, subdivision (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 SCO has sufficient authority to impose these audit adjustments.

### III. THE DISTRICT CLAIMED UNALLOWABLE INDIRECT COSTS

#### Issue

The district overstated its indirect cost rates and thus claimed unallowable indirect costs totaling \$166,810.

#### SCO Analysis:

The district claimed indirect costs based on indirect cost rate proposals (ICRPs) prepared using OMB Circular A-21 methodology. However, the district did not receive federal approval of its ICRPs.

The parameters and guidelines allow community college districts to claim indirect costs according to the SCO's claiming instructions (Tab 3). The claiming instructions require that districts obtain federal approval of ICRPs prepared using OMB Circular A-21 methodology. Alternatively, districts may use the SCO's Form FAM-29C to compute indirect cost rates. Form FAM-29C calculates indirect cost rates using total expenditures reported on the *California Community Colleges Annual Financial and Budget Report, Expenditures by Activity (CCFS-311)*. Form FAM-29C eliminates unallowable expenses and segregates the adjusted expenses between those incurred for direct and indirect activities relative to the mandated cost program.

The SCO calculated indirect cost rates using the Form FAM-29C methodology described in the SCO claiming instructions. The Form FAM-29C methodology did not support the rates that the district claimed.

#### 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.

#### Federal Approval

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

The Controller concludes that since the parameters and guidelines for some of the other community college district mandated-cost programs require a federally approved rate, the Health Fee Elimination program must also comply with that standard. However, each parameters and guidelines stands alone, and the Health Fee Elimination program parameters and guidelines states "may be claimed," not "must" or "shall" be claimed.

#### Regulatory Requirements

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

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

The Controller states that "neither this district nor any other district requested that the Commission on State Mandates review the SCO's claiming instructions . . . Furthermore, the district may not now request a review of the claiming instructions applicable to the audit period." A claimant is not required to request a review of claiming instructions in order to be entitled to reimbursement. Nor, is the District now requesting a review of the claiming instructions, but, rather, that the Controller simply comply with the parameters and guidelines.

#### CCFS-311

In fact, both the District's method and the Controller's FAM-29C method utilize the same source document, the CCFS-311 annual financial and budget report required by the State. The difference in the claimed and audited methods is the determination of which of those costs elements are direct costs and which are indirect costs . . . .

#### Unreasonable or Excessive

Government Code Section 17561(d)(2) requires the Controller to pay claims, provided that the Controller may audit the records of any school district to verify the actual amount of the mandated costs, and may reduce any claim that the Controller determines is excessive or unreasonable. The Controller is authorized to reduce a claim only if it determines the claim to be excessive or unreasonable. The District has computed its indirect cost rate utilizing cost accounting principles from the Office of Management and Budget Circular A-21, and the Controller has disallowed it without a determination of whether the product of the District's calculation would, or would not, be excessive, unreasonable, or inconsistent with cost accounting principles. . . .

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

#### Audit Authority

The Controller has concluded that the District's "contention" that the Controller has the burden of proof "is without merit." The Controller cites Section 17561(d)(2), which merely states that the Controller is empowered to audit the claimant records and adjust unreasonable costs, but has not indicated how the District's indirect cost rate is unreasonable. The Controller also cites Section 12410

which requires the Controller to audit claims against the state. The District understands the requirements of the Government Code. The point the district is asserting is that the Controller is required to audit competently and legally, not arbitrarily.

### SCO's Comment

#### **Federal Approval**

The parameters and guidelines state, "Indirect costs may be claimed in the manner described by the State Controller in his claiming instructions." The SCO issued claiming instructions pursuant to Government Code section 17558, subdivision (b) (effective during the audit period), which states in part, "The Controller shall issue claiming instructions for each mandate that requires state reimbursement, to assist local agencies and school districts in claiming costs to be reimbursed. . . . The claiming instructions shall be derived from the statute or executive order creating the mandate and the parameters and guidelines adopted by the commission." The SCO's claiming instructions, Part 5, subdivision B (2), state in part, "A college has the option of using a federally-approved rate . . . or the Controller's methodology [FAM-29C]. . . ." Therefore, a district must obtain federal approval when it prepares indirect cost rates using Office of Management and Budget (OMB) Circular A-21 principles.

Neither the CSM nor the SCO is responsible for identifying the district's responsible federal agency. OMB Circular A-21 states:

[Cognizant agency responsibility] is assigned to the Department of Health and Human Services (HHS) or the Department of Defense's Office of Naval Research (DOD), normally depending on which of the two agencies (HHS or DOD) provides more funds to the educational institution for the most recent three years. . . . In cases where neither HHS nor DOD provides Federal funding to an educational institution, the cognizant agency assignment shall default to HHS.

The district states that, "The Controller concludes that since the parameters and guidelines for some of the other community college district mandated-cost programs require a federally approved rate, the Health Fee Elimination program must also comply with that standard."

The district has arrived at an erroneous conclusion by paraphrasing the SCO's comments out of context. The SCO presented data regarding other mandated programs' requirements in response to the district's allegation that the SCO acted arbitrarily by using the FAM-29C methodology to calculate allowable indirect cost rates.

#### **Regulatory Requirements**

The district presents an invalid argument that it claimed costs in the manner described by the SCO simply by using the correct forms and entering claimed amounts in the correct location. The district further states that "No particular indirect cost rate calculation is required by statute." In essence, the district infers that it may claim indirect costs in whatever manner it chooses to do so.

The parameters and guidelines, section VI, state, "Indirect costs may be claimed in the manner described by the State Controller in his claiming instructions." The district misinterprets "may be claimed" by implying that compliance with the claiming instructions is voluntary. 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 district states, "A claimant is not required to request review of claiming instructions in order to be entitled to reimbursement." We agree; however, the parameters and guidelines do make compliance with the claiming instructions a condition of reimbursement. We also agree that the SCO

should simply comply with the parameters and guidelines. That is precisely what the SCO has done. If the district believes that the parameters and guidelines should not reference the SCO's claiming instructions, it may file a request with the CSM to amend the parameters and guidelines pursuant to Title 2, CCR, section 1183.2. However, that process is irrelevant to this IRC's resolution.

### **Unreasonable or Excessive**

The district erroneously concludes that, "The Controller is authorized to reduce a claim only if it determines the claim to be excessive or unreasonable." In our response to unallowable salaries and benefits, we discussed the breadth of the SCO's audit authority.

Nevertheless, the SCO did report that the district's claimed indirect costs 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. . . ." <sup>2</sup> The district did not obtain federal approvals of its ICRPs; therefore, the SCO calculated indirect cost rates using the FAM-29C methodology described in the SCO claiming instructions. The FAM-29C indirect cost rates did not support the rates that the district claimed; thus, the rates claimed were excessive.

<sup>2</sup> Merriam-Webster's Collegiate Dictionary, Tenth Edition, © 2001.

### **Audit Authority**

The district supports its erroneous conclusions by selectively paraphrasing statutory language. The district again cites Government Code section 17561, subdivision (d) (2), but contrary to its earlier comments, the district now ignores the fact that the statutory language references excessive costs. Furthermore, the district fails to disclose that the SCO's audit report specifically addressed how the district's indirect cost rates are excessive.

The SCO audited competently and legally in compliance with the parameters and guidelines, the SCO's claiming instructions, statutory authority, and *Government Auditing Standards*. In addition, the SCO has shown that it did not audit arbitrarily since the SCO's claiming instructions are consistent with the parameters and guidelines for many other mandated programs that we identified in our audit report. Therefore, the district's point is without merit.

## **IV. THE DISTRICT UNDERSTATED AUTHORIZED HEALTH SERVICE FEES CLAIMED**

### Issue

The district understated authorized health service fees by \$256,592 for the audit period because it reported actual revenues received rather than the health service fees it was authorized to collect. The district believes that it reported the correct amount of health service fees.

### SCO Analysis:

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 (CCCCO) and health service fee waivers that the district's records supported.

Government Code section 17514 defines "costs mandated by the state" as 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 the CSM 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.

### District's Response

#### Education Code Section 76355

Education Code Section 76355, subdivision (a), in relevant part, provides: "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 added by district.]

#### Parameters and Guidelines

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

"Any offsetting savings that 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 [student fees] as authorized by Education Code Section 72246(a)."<sup>3</sup>

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

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

<sup>3</sup> Former Education Code Section 72246 was repealed by Chapter 8, Statutes of 1993, Section 29, and was replaced by Education Code Section 76355.



#### Government Code Section 17514

Nor can the Controller rely upon Government Code Section 17514 for the conclusion that to 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

Nor can the Controller rely upon Government Code Section 17556 for the conclusion that there are no claimable costs mandated by the State where the claimants have the authority to collect a service fee. . . . 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 there is authority to levy fees in an amount sufficient to offset the entire mandated costs. Here, the Commission has approved the test claim and made a finding of a new program or higher level of service in which the claimants do not have the ability to levy fees in an amount sufficient to offset mandated costs.

#### County of Fresno and Connell

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

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

#### Health Services Fee Amount

The Controller concludes that since the Chancellor’s Office notified community college districts that they could charge a fee of \$12 per semester and \$9 per summer session, effective the 2001 summer session, the colleges will charge this amount. Districts receive notice of these fee amounts by letter from the Chancellor of the California Community Colleges. An example of one such notice is the Chancellor’s letter dated March 5, 2001, attached as Exhibit “F.” While Education Code Section 76355 provides for an increase in the student health services fees, it did not grant the Chancellor the authority to establish mandatory fee amounts or mandatory fee increases. It should be noted that the Chancellor’s letter properly states that increasing the amount of the fee is at the option of the district, and that the Chancellor is not asserting that authority. Therefore, the Controller cannot rely upon the Chancellor’s notice as a basis to adjust the claim for “collectible” student health services fees.

#### Fees Collected vs. Fees Collectible

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

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

#### Enrollment and Exempted Student Statistics

It is our understanding that the Controller adjusted the reported total student enrollment and reported number of exempt students based on data available from the office of the Chancellor of the Community Colleges. The information obtained from the Chancellor's office is based on information originally provided to the Chancellor by the District in the normal course of business. The Controller has not provided any factual basis why the Chancellor's data, subject to review and revision after the fact for several years, is preferable to the data reported by the District which was available at the time the claims were prepared...

#### SCO's Comment

The district incorrectly states that it reported actual health service fees based upon the district's Health Fees Report. The district reported health service fees based on its Health Fees Report for FY 2001-02 only. The district reported health service fees based on its Financial Summary Report for FY 2002-03 and FY 2003-04.

#### **Education Code Section 76355**

We agree that community college districts may choose not to levy a health service fee. However, Education Code section 76355, subdivision (a), provides districts with the authority to levy a health service fee.

#### **Parameters and Guidelines**

The district incorrectly interprets the CSM's determination and the parameters and guidelines' requirements regarding health service fees. The CSM clearly recognized an available funding source by including health service fees as offsetting savings/reimbursements in the parameters and guidelines.

While stating that it does not have the CSM's staff analysis and cannot fully respond, the district nevertheless incorrectly concludes that the staff analysis (Tab 6) is irrelevant. We disagree. The CSM's staff analysis supports the adopted parameters and guidelines and specifically documents the CSM's intent regarding authorized health service fees.

The CSM prepared its staff analysis to address parameters and guidelines amendments that it drafted in response to Chapter 1118, Statutes of 1987, which reinstated districts' authority to assess a health service fee. The CSM's staff analysis states the following:

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. [Emphasis added.]

Thus, it is clear that the CSM 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 CSM regarding authorized health service fees.

The CSM did not revise the parameters and guidelines amendments further, since its staff concluded that DOF’s proposed language did not substantively change the scope of those amendments. The CSM’s meeting minutes of May 25, 1989 (Tab 7), show that no district objected to the CSM’s staff analysis and that the CSM adopted the parameters and guidelines amendments on consent. Therefore, the CSM did not change its interpretation of authorized health service fees.

#### **Government Code Section 17514**

The district states that, “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 17514 states, “Costs mandated by the state’ means any increased costs which a local agency or school district is required to incur. . .” [emphasis added]. The district ignores the correlation that if the district has authority to collect fees attributable to health service expenses, then it is not required to incur a cost. Therefore, those health service expenses do not meet the statutory definition of mandated costs.

#### **Government Code Section 17556**

The district states, “Nor can the Controller rely upon Government Code Section 17556 for the conclusion that there are no claimable costs mandated by the State where the claimants have the authority to collect a service fee” [emphasis added]. The district misstates our position, which is that costs recoverable from a health service fee are not reimbursable as mandated costs.

The district continues with an invalid argument that the statutory language applies only when the fee authority is sufficient to offset the “entire” mandated costs. The CSM recognized that the Health Fee Elimination Program’s costs are not uniform between districts. Districts provided different levels of service in FY 1986-87 (the “base year”). Furthermore, districts provided these services at varying costs. As a result, the fee authority may be sufficient to pay for some districts’ mandated program costs, while it is insufficient for other districts. Meanwhile, Education Code section 76355 (formerly section 72246) established a uniform health service fee assessment for students statewide. Therefore, the CSM adopted parameters and guidelines that clearly recognize an available funding source by identifying the health service fees as offsetting reimbursements. To the extent that districts have authority to charge a fee, they are not required to incur a cost.

#### ***County of Fresno and Connell***

The district erroneously states that the SCO cited two court cases without explanation or application to the facts of this mandated program. On the contrary, the SCO’s audit report (Exhibit E) states, “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 incorrectly concludes that the two cases apply to interpreting the provisions of Government Code section 17556, subdivision (d). They do not. Instead, these two cases support the SCO's interpretation of Government Code section 17514. The court concluded that expenditures recoverable from sources other than taxes were not costs as addressed in the constitution. The level of fee authority (i.e., whether the fee authority is sufficient to cover the actual costs of the mandated program) is irrelevant to that conclusion. Since the expenditures do not represent "costs" under constitutional provisions, they are not reimbursable under the mandated program.

### **Health Service Fee Amount**

We agree that the CCCCCO does not have the authority to establish mandatory fee amounts or mandatory fee increases. The CCCCCO merely notifies districts of changes to the authorized fee amount, pursuant to Education Code section 76355, subdivision (a).

Effective the summer session of 2001, authorized health service fees, pursuant to Education Code section 76355, were \$9 per student for summer session and \$12 per student for the fall and spring semesters (**Exhibit F**). Education Code section 76355, subdivision (c), effective during the audit period, exempts collection of health fees from those students who: (1) depend exclusively on prayer for healing; (2) are attending a community college under an approved apprenticeship training program; and (3) demonstrate financial need.

It is irrelevant whether or not the district levies a health service fee or levies a fee that is less than the fee authorized by Education Code section 76355, subdivision (a). The district has the authority to levy the fees. To the extent districts have authority to charge a fee, they are not required to incur a cost.

### **Fees Collected vs. Fees Collectible**

The district states, "the amount 'collectible' will never equal actual revenues collected due to changes in a student's BOGG eligibility, bad debt accounts, and refunds." The district is responsible for providing accurate enrollment and BOGG grant data, including any changes that result from BOGG grant eligibility or students who disenroll. The district infers that the CCCCCO provided the SCO with enrollment and BOGG recipient data that is somehow inaccurate. However, the district has not explained how changes in BOGG eligibility and fee refunds, which occur during the academic year, affect enrollment and BOGG recipient data that the district submits to the CCCCCO at year-end. In addition, the district has not provided any documentation showing that the CCCCCO enrollment and BOGG recipient data is inaccurate. Consistent with OMB Circular A-21, Section J, the district is responsible for any bad debt accounts. The district's failure to collect health service fees assessed does not result in a mandate-reimbursable cost.

The district states that there is no evidence that districts uniformly alter their fee schedule as a result of notices received from the CCCCCO. It is irrelevant whether other districts alter their fee schedule. The district has the authority to assess the health service fee specified by Education Code section 76355, subdivision (a).

### **Enrollment and Exempted Student Statistics**

The district states that the SCO "adjusted the reported total student enrollment and reported number of exempt students based on data available from the office of the Chancellor of the Community Colleges." However, the district failed to report student enrollment and exempt students in its

mandated cost claims (**Exhibit G**); thus, no “adjustment” occurred. Therefore, the district’s entire discourse regarding perceived differences between students “reported” and data that the CCCCCO provided is without merit. The district provided no documentation showing that the CCCCCO data is inaccurate.

**V. AMOUNTS PAID BY THE STATE**

Issue

For each fiscal year, the audit report identifies the amount previously paid by the State. The district believes that the reported amounts paid for FY 2001-02 and FY 2002-03 are incorrect.

SCO Analysis:

At the time that the SCO issued the final audit report, the State had paid the district \$180,817 for FY 2001-02 and \$209,252 for FY 2002-03. These amounts include cash payments and any outstanding accounts receivable offsets applied.

District’s Response

. . . 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	\$ —	\$ —
Audit Report	\$ 180,817	\$ 209,252	\$ —

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

SCO’s Comment

The final audit report correctly identifies the amounts paid by the State as of the report issuance date. The amounts paid include payments that the SCO made subsequent to the dates that the district filed its claims, but before the date that the district filed its incorrect reduction claim. The SCO is not responsible if the district is unable to account for state mandated program revenues that it received.

For FY 2001-02, the difference is attributable to a payment made October 25, 2006, totaling \$123,598 less an offsetting accounts receivable of \$14,378 (**Tab 8**). For FY 2002-03, the difference is attributable to a payment made October 25, 2006, totaling \$209,252 (**Tab 9**).

**VI. CONCLUSION**

The State Controller’s Office audited Sierra Joint Community College District’s claims for costs of the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2<sup>nd</sup> 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 costs are unallowable because the district claimed unsupported direct costs, overstated indirect costs, understated authorized health service fees, and understated other offsetting revenues.

The district claimed unallowable salaries, benefits, and related indirect costs totaling \$158,718. The district did not provide documentation showing that academic counselors actually performed mandate-related activities and the actual time that counselors spent performing those activities, if any. In addition, the district did not provide documentation that supports the average salary cost that the district claimed for the 19 counselors.

The district overstated its indirect cost rates, which resulted in unallowable costs totaling \$166,810. The district did not obtain federal approval of its indirect cost rate proposals that it prepared using OMB Circular A-21 methodology. The SCO calculated indirect cost rates using the alternate methodology allowed; these rates did not support the rates claimed.

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

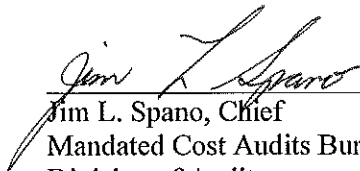
The district understated and overstated other offsetting revenue during the audit period, which resulted in net understated offsetting revenue totaling \$5,637.

The Commission on State Mandates should find that: (1) the SCO correctly reduced the district's FY 2001-02 claim by \$165,104; (2) the SCO correctly reduced the district's FY 2002-03 claim by \$207,443; and (3) the SCO correctly reduced the district's FY 2003-04 claim by \$188,299.

## VII. CERTIFICATION

I hereby certify by my signature below that the statements made in this document are true and correct of my own knowledge, or, as to all other matters, I believe them to be true and correct based upon information and belief.

Executed on February 5, 2009, at Sacramento, California, by:

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

# Tab 3

# Tab 4



# **Tab 5**

# Tab 6

# Tab 7

# Tab 8

# Tab 9

# Tab 3

## B. Indirect Cost

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services and facilities. As noted previously, in order for a cost to be allowable, it must be allocable to a particular cost objective. With respect to indirect costs, this requires that the cost be distributed to benefiting cost objectives on bases, which produce an equitable result in relation to the benefits derived by the mandate.

### (1) Indirect Costs for Schools

School districts and county superintendents of schools may claim indirect costs incurred for mandated costs. For fiscal years prior to 1986-87, school districts and county superintendents of schools may use the Department of Education Form Nos. J41A or J-73A, respectively, applicable to the fiscal year of the claim. The rate, however, must not be applied to items of direct costs claimed in complying with the mandate if those same costs are included in cost centers identified as General Support (i.e., EDP Codes 400, 405, 410 in Column 3). For the 1986-87 and subsequent fiscal years, school districts and county superintendents of schools may use the Annual Program Cost Data Report, Department of Education Form Nos. J-380 or J-580, respectively, applicable to the fiscal year of the claim.

The amount of indirect costs the claimant is eligible to claim is computed by multiplying the rate by direct costs. When applying the rate, multiply the rate by direct costs not included in total support services EDP No. 422 of the J-380 or J-580. If there are any exceptions to this general rule for applying the indirect cost rate, they will be found in the individual mandate instructions.

### (2) Indirect Cost Rate for Community Colleges

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. If the federal rate is used, it must be from the same fiscal year in which the costs were incurred.

The Controller allows the following methodology for use by community colleges in computing an indirect cost rate for state mandates. The objective of this computation is to determine an equitable rate for use in allocating administrative support to personnel that performed the mandated cost activities claimed by the community college. This methodology assumes that administrative services are provided to all activities of the institution in relation to the direct costs incurred in the performance of those activities. Form FAM-29C has been developed to assist the community college in computing an indirect cost rate for state mandates. Completion of this form consists of three main steps:

- The elimination of unallowable costs from the expenses reported on the financial statements.
- The segregation of the adjusted expenses between those incurred for direct and indirect activities.
- The development of a ratio between the total indirect expenses and total direct expenses incurred by the community college.

# Tab 4



100  
Date 1/24/06 Page 2  
3A-2  
B/06

**Carter, Lloyd**

**From:** Lee, Lawrence [llee@sierracollege.edu]  
**Sent:** Monday, January 30, 2006 2:23 PM  
**To:** lcarter@sco.ca.gov  
**Cc:** cprasad@sco.ca.gov; Rehwald, Wende; Lopes, Joyce; Kbpsixten@aol.com  
**Subject:** HFE Audit

Lloyd,

Two items: (1) Job description for counselors as requested. (2) The District will not be providing the "Management Representation Letter" you requested. If you have any questions, please call. Thanks.

3A-1/1  
3A-2/1

Lawrence

-----Original Message-----

**From:** Leland, Jeanne  
**Sent:** Tuesday, January 24, 2006 1:27 PM  
**To:** Lee, Lawrence  
**Subject:** Counselor.doc

SIERRA COLLEGE

FEBRUARY 1997

**COUNSELOR**

Student Development Division, Counseling Center

**DEFINITION**

Under general direction of an educational administrator, to provide counseling a diverse student population regarding personal, educational, career development/vocational choice, psychological testing, and other matters, utilizing various assessment techniques, to provide orientation and outreach efforts and crisis intervention and emergency counseling, to function as liaison between students and District faculty members, secondary schools, other post-secondary educational institutions, and the community, and to do related work, as required.

**JOB CHARACTERISTICS**

Incumbent may supervise student and/or other temporary help, as assigned.

**EXAMPLES OF FUNCTIONS AND TASKS**

**Academic Advising/ Educational Planning - ESSENTIAL:** Assist students with the process of course selection and other educational processes/experiences; provide information regarding District degree/certification requirements; provide direction regarding selection of educational major(s); provide information regarding transfer requirements to other post-secondary educational institutions; develop Student Educational Plans (SEPs) with individual students, updating as necessary; evaluate student progress toward established goals. **PERIPHERAL:** Refer students to other District and/or external support services for assistance, as appropriate to meet student needs.

**Career/ Vocational Counseling and Development - ESSENTIAL:** Assist students to clarify life and career goals; provide assistance to students to develop greater self-knowledge and self-awareness to enhance self-esteem; provide "world of work" vocational information to students; obtain current labor market information for students; maintain information regarding occupational trends; utilize a variety of occupational resources and systems to serve student needs; administer to

psls/plc 3A-1/1

students and interpret various career assessment tools. **PERIPHERAL:** Provide students with job-seeking skills and strategies, as appropriate *CP/Job*

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

(Continued, next page)

**Counselor**

**Page 2**

**Assessment and Interpretation - ESSENTIAL:** Provide counseling to students to assure that assessment/matriculation regulations and guidelines are followed; administer to students and interpret various career assessment instruments; provide advisement to students based upon results of basic skills assessment.

**Instruction - ESSENTIAL:** Instruct Personal Development courses, including developing and providing curriculum for student enhancement, maintaining current occupational information and professional resources, reviewing current texts, presenting lectures and lessons, maintaining records of student grades and attendance, and participating in conferences and professional workshops, as authorized.

**Outreach/ Liaison - ESSENTIAL:** Participate in visits to local area high schools to provide outreach information; function as liaison between the District, local area high schools, and other post-secondary educational institutions regarding Counseling Center programs and services. **PERIPHERAL:** Attend community events as District representative, as authorized; provide bi-lingual translational assistance to students and prospective students regarding information on District and/or Counseling Center programs and services, as assigned and authorized.

**Student Advocacy/ Development - ESSENTIAL:** Facilitate support groups for students, as feasible and appropriate; provide workshops for students on topics of interest, as appropriate; refer students to District and/or external resources and support services, as appropriate to meet student needs; participate in new student orientation. **PERIPHERAL:** Participate as a member of student governmental and/or District shared governance and/or other committees with regard to student affairs, as feasible and appropriate.

**District Programs - ESSENTIAL:** Participate as a member of District shared governance and/or other committees regarding District affairs, as feasible and appropriate; function as liaison between Counseling Center and other District organizational units and/or individual faculty or other staff member (s), as necessary; participate in District institutional planning, as requested.

**Specialized Programs - ESSENTIAL:** Participate in program development for specific student and/or prospective student populations, as requested; coordinate activities of specialized programs, as requested; evaluate activities of specialized programs, as applicable.

## MINIMUM QUALIFICATIONS

*pdsl/c 3A-1/1*

WC  
314-2  
4

ok/lop

**Degree Requirements:**

**ESSENTIAL:** Incumbent must possess a Master's degree in counseling, rehabilitation counseling, clinical psychology, counseling psychology, guidance counseling, education

(Continued, next page)

**Counselor**

**Page 3**

**MINIMUM QUALIFICATIONS (Continued):**

**Degree Requirements (Continued):**

counseling, social work, or career development, OR the equivalent, OR a license as a Marriage, Family, and Child Counselor as specified pursuant to those California Government Code sections referred to as the California Education Code, Title 5, Section 53410.1, OR a valid California Community College Counselor Credential

**Knowledge of:**

**ESSENTIAL:** General counseling theories and practices. **PERIPHERAL:** Community resources; microcomputer operation.

**Ability to:**

**ESSENTIAL:** Communicate effectively with and maintain effective and cooperative working relationships with students, staff, and managers; provide diverse counseling services to a diverse student population in areas of academic, career, and personal counseling, work independently, identify and solve problems; communicate effectively orally and in writing, listen effectively; follow oral and written directions; develop curriculum; instruct assigned classes; supervise student and/or other temporary help and/or classified employees; function well under pressure from deadlines, timetables, etc. **PERIPHERAL:** Maintain empathy, friendliness, and a sincere desire to help others; maintain flexibility with regard to responding to situations requiring tact, discretion, sensitivity, and creativity with respect to providing services to students on an individual basis; process large amounts of information and disseminate information accurately and clearly; operate a microcomputer.

**Physical Suitability Requirements:**

**ESSENTIAL:** Incumbent must be able to function indoors in an office and/or classroom environment engaged in work of primarily a sedentary nature, and to accomplish the following, with or without reasonable accommodation: Almost Constantly: Sit, to accomplish desk work and to counsel students; utilize vision (near) to write and to read printed materials and computer screens; utilize hearing for ordinary and telephonic conversation and to hear sound prompts from equipment; utilize manual and finger dexterity to type/keyboard and/or utilize mouse and otherwise operate a microcomputer and other office equipment. Frequently: Utilize vision (far) to observe student demeanor during counseling sessions and observe students in the classroom; walk, to move about office, classroom, and campus environs; stand upright and forward flexing, to present lectures and lessons in the classroom.

**Faculty Salary Schedule, Subject to Placement at Date of Hire.**

**FLSA exempt.**

**SCFA bargaining unit status.**

**Classification III, Bloodborne Pathogens Exposure Control Program.**

plsc/atc 314-1/1

# Tab 5

Doc. <u>LL</u>	W/S No. <u>24-26</u>
Date <u>9/1/03</u>	Page <u>8</u>

01/07/04

Counselor time spent in personal counseling for 2002-2003

Approximately 5% of 19 counselor's time

Average salary \$55,000

$$19 * 55000 * 5\% = \$73,180 \quad 52,250 + 21\% \text{ Benefits} = 63,227$$

And LES WFO No. 2A-2C  
From 2/12/05 Page 10

01/06/05

Counselor time spent in personal counseling for 2003-2004

Approximately 5% of 19 counselor's time

Average salary \$55,500

$19 * 55500 * 5\% = \$52,725$

# Tab 6

Hearing: 5/25/89  
File Number: CSM-4206  
Staff: Deborah Fraga-Decker  
WP 0366d

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

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Executive Summary

At its hearing of November 20, 1986, the Commission on State Mandates found that Chapter 1, Statutes of 1984, 2nd E.S., imposed state mandated costs upon local community college districts by (1) requiring those community college districts which provided health services for which it was authorized to and did charge a fee to maintain such health services at the level provided during the 1983-84 fiscal year in the 1984-85 fiscal year and each fiscal year thereafter and (2) repealing the district's authority to charge a health fee. The requirements of this statute would repeal on December 31, 1987, unless subsequent legislation was enacted.

Chapter 1118, Statutes of 1987, was enacted September 24, 1987, and became effective January 1, 1988. Chapter 1118/87 modified the requirements contained in Chapter 1/84, 2nd E.S., to require those community college districts which provided health services in fiscal year 1986-87 to maintain such health services in the 1987-88 fiscal year and each fiscal year thereafter. Additionally, the language contained in Chapter 1/84, 2nd E.S., which repealed the districts' authority to charge a health fee to cover the costs of the health services program was allowed to sunset, thereby reinstating the districts' authority to charge a fee as specified. Parameters and guidelines amendments are appropriate to address the changes contained in Chapter 1118/87 because this statute amended the same Education Code sections previously enacted by Chapter 1/84, 2nd E.S., and found to contain a mandate.

Commission staff included the Department of Finance suggested non-substantive amendment to the staff's proposed parameters and guidelines amendments. The Chancellor's Office, the State Controller's Office, and the claimant are in agreement with these amendments. Therefore, staff recommends that the Commission adopt the parameters and guidelines amendments as requested by the Chancellor's Office and as developed by staff.

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Claimant

Rio Hondo Community College District

Requesting Party

California Community Colleges Chancellor's Office



### Chronology

12/2/85 Test Claim filed with Commission on State Mandates.  
7/24/86 Test Claim continued at claimant's request.  
11/20/86 Commission approved mandate.  
1/22/87 Commission adopted Statement of Decision.  
4/9/87 Claimant submitted proposed parameters and guidelines.  
8/27/87 Commission adopted parameters and guidelines  
10/22/87 Commission adopted cost estimate  
9/28/88 Mandate funded in Commission's Claims Bill, Chapter 1425/88

### Summary of Mandate

Chapter 1/84, 2nd E.S., effective July 1, 1984, repealed Education Code (EC) 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. The statute also required that any community college district which provided health services for which it was authorized to charge a fee shall maintain health services at the level provided during the 1983-84 fiscal year in the 1984-85 fiscal year and each fiscal year thereafter.

Prior to the passage of Chapter 1/84, 2nd E.S., the implementation of a health services program was at the local community college district's option. If implemented, the respective community college district had the authority to charge a health fee up to \$7.50 per semester for day and evening students, and \$5 per summer session.

### Proposed Amendments

The Community Colleges Chancellor's Office (Chancellor's Office) has requested parameters and guidelines amendments be made to address the changes in mandated activities effectuated by Chapter 1118/87. (Attachment G) In order to expedite the process, staff has developed language to accomplish the following: (1) change the eligible claimants to those community college districts which provided a health services program in fiscal year 1986-87; and (2) change the offsetting savings and other reimbursements to include the reinstated authority to charge a health fee. (Attachment B)

### Recommendations

The Department of Finance (DOF) proposed one non-substantive amendment to clarify the effect of the fee authority language on the scope of the reimbursable costs. With this amendment, the DOF believes the amendments to the parameters and guidelines are appropriate for this mandate and recommends the Commission adopt them. (Attachment C)

The Chancellor's Office recommends that the Commission approve the amended parameters and guidelines developed by staff with the additional language suggested by the DOF. (Attachment D)

The State Controller's Office (SCO), upon review of the proposed amendments, finds the proposals proper and acceptable. (Attachment E)

The claimant, in its recommendation, states its belief that the revisions are appropriate and concurs with the proposed changes. (Attachment F)

### Staff Analysis

#### Issue 1: Eligible Claimants

The mandate found in Chapter 1/84, 2nd E.S., was for a new program with a required maintenance of effort at the fiscal year 1983-84 level. Chapter 1118/87 superseded that level of service by requiring that community college districts which provided a health services program in fiscal year 1986-87 maintain that level of effort in fiscal year 1987-88 and each subsequent year thereafter. Additionally, this expanded the group of eligible claimants because the requirement is no longer imposed on only those community college districts which had charged a health fee for the program. At the time of enactment of Chapter 1118/87, there were 11 community college districts which provided the health services program but had never charged a health fee for the service.

Therefore, staff has amended the language in Item III, "Eligible Claimants" to reflect this change in the scope of the mandate.

#### Issue 2: Reimbursement Alternatives

In response to Chapter 1/84, 2nd E.S., Item VI.B. contained two alternatives for claiming reimbursement costs. This gave claimants a choice between claiming actual costs for providing the health services program, or funding the program as was done prior to the mandate when a health fee could be charged.

The first alternative was in Item VI.B.1. and provided for the use of the formula which the eligible claimants were authorized to utilize prior to the implementation of Chapter 1/84, 2nd E.S.--total eligible enrollment multiplied by the health fee charged per student in fiscal year 1983-84. With the sunset of the repeal of the health fee authority as contained in Chapter 1/84, 2nd E.S., claimants can now charge the health fee as was allowed prior to fiscal year 1983-84, thereby funding the program as was done prior to the mandate. Therefore, this alternative is no longer applicable to this mandate and has been deleted by staff.

The second alternative was in Item VI.B.2. and provided for the claiming of actual costs involved in maintaining a health services program at the fiscal year 1983-84 level. This alternative is now the sole method of reimbursement for this mandate. However, it has been amended to reflect that Chapter 1118/87 requires a maintenance of effort at the fiscal year 1986-87 level.

### Issue 3: Offsetting Savings and Other Reimbursements

With the sunset of the repeal of the fee authority contained in Chapter 1/84, 2nd E.S., Education Code (EC) section 72246(a) again provides community college districts with the authority to charge a health fee as follows:

"72246.(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 seven dollars and fifty cents (\$7.50) for each semester, and five dollars (\$5) for summer school, or five dollars (\$5) 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, authorized by Section 72244, or both."

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

In response to that amendment, the 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.

### Issue 4: Editorial Changes

In preparing the proposed parameters and guidelines amendments, it was not necessary for staff to make any of the normal editorial changes as the original parameters and guidelines contained the language usually adopted by the commission.

Staff, the DOF, the Chancellor's Office, the SCO, and the claimant are in agreement with the recommended amendments which are shown in Attachment A with additions indicated by underlining and deletions by strikeout.

### Staff Recommendation

Staff recommends the adoption of the staff's proposed parameters and guidelines amendments, which are based on the original parameters and guidelines adopted in response to Chapter 1/84, 2nd E.S., and amended in response to Chapter 1118/87, as well as incorporating the amendment recommended by the DOF. All parties concur with these amendments.

Adopted: 8/27/87

PARAMETERS AND GUIDELINES  
Chapter 1118, Statutes of 1987 ~~1/2nd/1981~~  
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 ~~for/fee~~ 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. REIMBURSEMENTABLE COSTS

##### A. Scope of Mandate

Eligible community college districts shall be reimbursed for the costs of providing a health services program ~~without the authority to levy a fee~~. Only services provided ~~for fee~~ 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 ~~1987-88~~ 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. // EYIYQYBYQ/CTAIDANYS/NDY/CTAID/COSTS/UNDYR ONE/OY/LYQ/ALTERNATIVES//KX//VCE/AMOUNT/PREVIOUSLY/COLLECTED/PER STUDENT/AND/ENROLLMENT/COUNT//OY//ZY/ACTUAL/COSTS/OY/PROGRAM/





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 19836-847 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) ~~now~~ received from individuals other than students who ~~were~~ are not covered by ~~former~~ 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.

## CALIFORNIA COMMUNITY COLLEGES

1107 NINTH STREET  
SACRAMENTO, CALIFORNIA 95814  
(916) 445-8732 445-1163



February 22, 1989



Mr. Robert W. Eich  
Executive Director  
Commission on State Mandates  
1130 "K" Street, Suite LL50  
Sacramento, CA 95814-3927

Dear Mr. Eich:

As you know, the Commission on August 27, 1987 adopted Parameters and Guidelines for claiming reimbursements of mandated costs related to community college health services. Fees formerly collected by community colleges had been eliminated by Chapter 1, Statutes of 1984, Second Extraordinary Session. Last year's mandate claims bill (AB 2763) included funding to pay all these claims through 1988-89.

The Governor's partial approval of AB 2763 last September included a stipulation that claims for the current year would be paid this fiscal year, but prior-year claims will be paid in equal installments from the next three budget acts. The Governor did not address the fact that the ongoing costs of providing the mandated level of service will continue to exceed the maximum permissible fee of \$7.50 per student per semester.

On behalf of all eligible community college districts, the Chancellor's Office proposes the following changes in the Parameters and Guidelines:

- o Payment of 1988-89 mandated costs in excess of maximum permissible fees. (This amount is payable from AB 2763.)
- o Payment of all prior-year claims in installments over the next three years. (Funds for these payments will be included in the next 3 budget acts.)
- o Payment of future-years mandated costs in excess of the maximum permissible fees. (No funding has yet been provided for these costs.)

Mr. Eich

2

February 22, 1989

If you have any questions regarding this proposal, please contact Patrick Ryan at (916) 445-1163.

Sincerely,

*David Mertes*

DAVID MERTES  
Chancellor

DM:PR:mh

cc: / Deborah Fraga-Decker, CSM  
Douglas Burris  
Joseph Newmyer  
Gary Cook

State of California

## Memorandum

March 22, 1989

Deborah Fraga-Decker  
Program Analyst  
Commission on State Mandates

FROM : Department of Finance

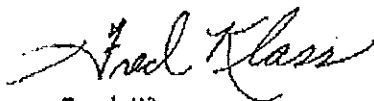
Proposed Amendments to Parameters and Guidelines for Claim No. CSM-4206 -- Chapter 1, Statutes of 1984, 2nd E.S. and Chapter 1118, Statutes of 1987 -- Health Fee Elimination

Pursuant to your request, the Department of Finance has reviewed the proposed amendments to the parameters and guidelines related to community college health services. These amendments, which are requested by the Chancellor's Office, reflect the impact that Chapter 1118/87 has on the original parameters adopted by the Commission for Chapter 1/84 on August 27, 1987. Specifically, Chapter 1118/87:

- (1) requires districts which were providing health services in 1986-87, rather than 1983-84, to continue to provide such services, irrespective of whether or not a fee was charged for the services; and
- (2) allows all districts to again charge a fee of up to \$7.50 per student for the services. In this regard, we would point out that the proposed amendment to "VIII. Offsetting Savings, and Other Reimbursements" could be interpreted to require that, if a district elected not to charge fees it would not have to deduct anything from its claim. We believe that, pursuant to Section 17556 (d) of the Government Code, an amount equal to \$7.50 per student must be deducted whether or not it is actually charged since the district has the authority to levy the fee. We suggest that the following language be added as a second paragraph under "VIII": "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."

With the amendment described above, we believe the amendments to the parameters and guidelines are appropriate for this mandate and recommend the Commission adopt them at its April 27, 1989, meeting.

Any questions regarding this recommendation should be directed to James M. Apps or Kim Clement of my staff at 324-0043.



Fred Klass  
Assistant Program Budget Manager

cc: see second page

cc: Glen Beatie, Stat' Controller's Office  
Pat Ryan, Chancel A's Office, Community College  
Juliet Musso, Legislative Analyst's Office  
Richard Frank, Attorney General

LR:1988-2

GOVERNOR'S OFFICE

GEORGE DEUKMEJIAN, Governor

## CALIFORNIA COMMUNITY COLLEGES

100 FIFTH STREET  
 SACRAMENTO, CALIFORNIA 95814  
 (916) 445-8752 445-1163



April 3, 1989

Mr. Robert W. Eich  
 Executive Director  
 Commission on State Mandates  
 100 K Street, Suite LL50  
 Sacramento, CA 95814

Attention: Ms. Deborah Fraga-Decker

Subject: CSM 4206  
 Amendments to Parameters and Guidelines  
 Chapter 1, Statutes of 1984, 2nd E.S.  
 Chapter 118, Statutes of 1987  
Health Fee Elimination

Dear Mr. Eich:

In response to your request of March 8, we have reviewed the proposed language changes necessary to amend the existing parameters and guidelines to meet the requirements of Chapter 1118, Statutes of 1987.

The Department of Finance has also provided us a copy of their suggestion to add the following language in part VIII: "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." This office concurs with their suggestion which is consistent with the law and with our request of February 22.

With the additional language suggested by the Department of Finance, the Chancellor's Office recommends approval of the amended parameters and guidelines as drafted for presentation to the Commission on April 27, 1989.

Sincerely,

DAVID MERTES  
 Chancellor

DM:PR:mh

cc: Jim Apps, Department of Finance  
 Glen Beatie, State Controller's Office  
 Richard Frank, Attorney General's Office  
 Juliet Muso, Legislative Analyst's Office  
 Douglas Burris  
 Joseph Newmyer  
 Gary Cook



**GRAY DAVIS**  
**Controller of the State of California**  
 P. O. BOX 942850  
 SACRAMENTO, CA 94250-0001

April 3, 1989



Ms. Deborah Fraga-Decker  
 Program Analyst  
 Commission on State Mandates  
 1130 K Street, Suite LL50  
 Sacramento, CA 95814

Dear Ms. Fraga-Decker:

RE: Proposed Amendments to Parameters and Guidelines: Chapter 1/84, 2nd  
 E.S., and Chapter 1118/87 - Health Fee Elimination

We have reviewed the amendments proposed on the above subject and find the proposals proper and acceptable.

However, the Commission may wish to clarify section "VIII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS" that the required offset is the amount received or would have received per student in the claim year.

If you have any questions, please call Glen Beatie at 3-8137.

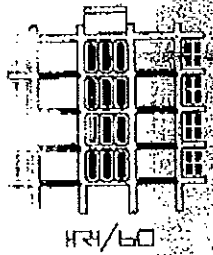
Sincerely,

Glenn Haas, Assistant Chief  
 Division of Accounting

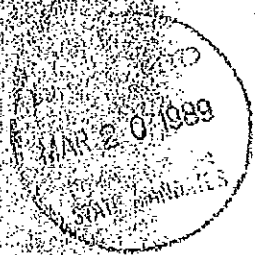
GH/GB:dvl

SC81822





**RIO HONDO COMMUNITY COLLEGE DISTRICT**  
8600 Workman Mill Road • Whittier, CA 90808 • Phone (218) 692-0921



March 16, 1989

Ms. Deborah Fraga-Decker  
Program Analyst  
Commission on State Mandates  
1130 K Street, Suite LL50  
Sacramento, CA 95814

REFERENCE: CSM-4206  
AMENDMENTS TO PARAMETERS AND GUIDELINES  
CHAPTER 1, STATUTES OF 1984, 2ND E.S.  
CHAPTER 1118, STATUTES OF 1987  
HEALTH FEE ELIMINATION

Dear Deborah:

We have reviewed your letter of March 7 to Chancellor David Mertes and the attached amendments to the health fee parameters and guidelines. We believe these revisions to be most appropriate and concur totally with the changes you have proposed.

I would like to thank you again for your expertise and helpfulness throughout this entire process.

Yours very truly,

Timothy M. Wood  
Vice President  
Administrative Affairs

TMW:hh

# Tab 7

MINUTES

COMMISSION ON STATE MANDATES

May 25, 1989

10:00 a.m.

State Capitol, Room 437  
Sacramento, California

Present were: Chairperson Russell Gould, Chief Deputy Director, Department of Finance; Fred R. Buenrostro, Representative of the State Treasurer; D. Robert Shuman, Representative of the State Controller; Robert Martinez, Director, Office of Planning and Research; and Robert C. Creighton, Public Member.

There being a quorum present, Chairperson Gould called the meeting to order at 10:02 a.m.

Item 1 Minutes

Chairperson Gould asked if there were any corrections or additions to the minutes of the Commission's hearing of April 27, 1989. There were no corrections or additions.

The minutes were adopted without objection.

Consent Calendar

The following items were on the Commission's consent agenda:

- Item 2 Proposed Statement of Decision  
Chapter 406, Statutes of 1988  
Special Election - Bridges
- Item 3 Proposed Statement of Decision  
Chapter 583, Statutes of 1985  
Infectious Waste Enforcement
- Item 4 Proposed Statement of Decision  
Chapter 980, Statutes of 1984  
Court Audits
- Item 5 Proposed Statement of Decision  
Chapter 1286, Statutes of 1985  
Homeless Mentally Ill

- Item 6 Proposed Parameters and Guidelines Amendment  
Chapter 1, Statutes of 1984, 2nd E.S.  
Chapter 1118, Statutes of 1987  
Health Fee Elimination
- Item 7 Proposed Parameters and Guidelines Amendment  
Chapter 8, Statutes of 1988  
Democratic Presidential Delegates
- Item 10 Proposed Statewide Cost Estimate  
Chapter 498, Statutes of 1983  
Education Code Section 48260.5  
Notification of Truancy
- Item 12 Proposed Statewide Cost Estimate  
Chapter 1226, Statutes of 1984  
Chapter 1526, Statutes of 1985  
Investment Reports

There being no discussion or appearances on Items 2, 3, 4, 5, 6, 7, 10, and 12, Member Buenrostro moved adoption of the staff recommendation on these items on the consent calendar. Member Martinez seconded the motion. The vote on the motion was unanimous. The motion carried.

The following items were continued:

- Item 13 Proposed Statewide Cost Estimate  
Chapter 1335, Statutes of 1986  
Trial Court Delay Reduction Act
- Item 16 Test Claim  
Chapter 841, Statutes of 1982  
Patients' Rights Advocates
- Item 17 Test Claim  
Chapter 921, Statutes of 1987  
Countywide Tax Rates

The next item to be heard by the Commission was:

- Item 8 Proposed Parameters and Guidelines Amendment  
Chapter 961, Statutes of 1975  
Collective Bargaining

The party requesting the proposed amendment, Fountain Valley School District, did not appear at the hearing. Carol Miller, appearing on behalf of the Education Mandated Cost Network, stated that the Network was interested in the issue of reimbursing a school district for the time the district Superintendent spent in, or preparing for, collective bargaining issues.

The Commission then discussed the issue of reimbursing the Superintendent's time as a direct cost to the mandated program or as an indirect cost as required by the federal publications OASC-10, and Federal Management Circular 74-4. Upon conclusion of this discussion, the Commission, staff, and Ms. Miller, agreed that the Commission could deny this proposed amendment by the Fountain Valley School District, and Ms. Miller could assist another district in an attempt to amend the parameters and guidelines to allow reimbursement of the Superintendent's cost relative to collective bargaining matters.

Member Creighton then inquired on the issue of holding collective bargaining sessions outside of normal working hours and the number of teachers the parameters and guidelines reimburse for participating in collective bargaining sessions. Ms. Miller stated that because of the classroom disruption that can result from the use of a substitute teacher, bargaining sessions are sometimes held outside of normal work hours for practical reasons. Ms. Miller also stated that the parameters and guidelines permit reimbursement for five substitute teachers.

Member Martinez moved and Member Buenrostro seconded a motion to adopt the staff recommendation to deny the proposed amendments to the parameters and guidelines. The roll call vote on the motion was unanimous. The motion carried.

Item 9 Proposed Statewide Cost Estimate  
Chapter 498, Statutes of 1983  
Education Code Section 51225.3  
Graduation Requirements

Carol Miller appeared on behalf of the claimant, Santa Barbara Unified School District, Jim Apps and Don Enderton appeared on behalf of the Department of Finance, and Rick Knott appeared on behalf of the San Diego Unified School District.

Carol Miller began the discussion on this matter by stating her objection to the Department of Finance raising issues that were already argued in the parameters and guidelines hearings for this mandate. Based on this objection, Ms. Miller requested that the Commission adopt staff's recommendation and allow the Controller's Office to handle any audit exceptions.

Jim Apps stated that because school districts did not report funds that have been received by them, then the data reported in the survey is suspect. Therefore, the Department of Finance is not convinced that the cost estimate based on the data received by the schools is legitimate.

Discussion continued on the validity of the cost estimate and on the figures presented to the Commission for its consideration.

Member Creighton then made a motion to adopt staff's recommendation. Member Shuman seconded the motion. The vote on the motion was: Member Buenrostro, no; Member Creighton, aye; Member Martinez, no; Member Shuman, aye; and Chairperson Gould, no. The motion failed.

Chairperson Gould made an alternative motion that staff, the Department of Finance, and the school districts, conduct a pre-hearing conference and agree on an estimate to be presented to the Commission at a future hearing. Member Buenrostro seconded the motion. The roll call vote on the motion was unanimous. The motion carried.

Item 11 Statewide Cost Estimate  
Chapter 815, Statutes of 1979  
Chapter 1327, Statutes of 1984  
Chapter 757, Statutes of 1985  
Short-Doyle Case Management

Pamela Stone, representing the County of Fresno, stated that the county was in agreement with the staff proposed statewide cost estimate of \$20,000,000 for the 1985-86 through 1989-90 fiscal years, and was opposed to the reduction of the costs estimate being proposed by the Department of Mental Health's late filing.

Lynn Whetstone, representing the Department of Mental Health, stated that the Department agrees with the methodology used by Commission staff to develop the cost estimate, however, the Department questioned the manner in which Commission staff extrapolated its survey figures into a statewide estimate. Ms. Whetstone stated that due to the reasons stated in its late filing, the Department believes that the cost estimate be reduced to \$17,280,000.

Member Shuman moved, and Member Martinez seconded a motion to adopt the staff proposed statewide cost estimate of \$20,000,000 for the 1985-86 through 1989-90 fiscal years. The roll call vote on the motion was unanimous. The motion carried.

Item 14 State Mandates Apportionment System  
Request for Review of Base Year Entitlement  
Chapter 1242, Statutes of 1977  
Senior Citizens' Property Tax Postponement

Leslie Hobson appeared on behalf of the claimant, County of Placer, and stated agreement with the staff analysis.

There were no other appearances and no further discussion.

Member Creighton moved approval of the staff recommendation. Member Shuman seconded the motion. The roll call vote was unanimous. The motion carried.

Item 15 Test Claim  
Chapter 670, Statutes of 1987  
Assigned Judges

Vicki Wajdak and Pamela Stone appeared on behalf of the claimant, County of Fresno. Beth Mullen appeared on behalf of the Administrative Office of

the Courts. Jim Apps appeared on behalf of the Department of Finance. Allan Burdick appeared on behalf of the County Supervisors Association of California. Pamela Stone restated the claimant's position that the revenue losses due to this statute were actually increased costs because Fresno is now required to compensate its part-time justice court judges for work performed for another county while on assignment. Beth Mullen stated her opposition to this interpretation because Fresno's part-time justice court judge cannot be assigned elsewhere until all work required to be performed for Fresno has been completed; therefore, Fresno is only required to compensate the judge for its own work.

There followed discussion by the parties and the Commission regarding the applicability of the Supreme Court's decisions in County of Los Angeles and Lucia Mar. Chairperson Gould asked Commission Counsel Gary Hori whether this statute imposed a new program and higher level of service as contemplated by these two decisions. Mr. Hori stated that it did meet the definition of new program and higher level of service as contemplated by the Supreme Court.

Member Creighton moved to adopt the staff recommendation to find a mandate on counties whose part-time justice court judge is assigned within the home county. Member Shuman seconded the motion. The roll call vote was unanimous. The motion carried.

Item 18 Test Claim  
Chapter 1247, Statutes of 1977  
Chapter 797, Statutes of 1980  
Chapter 1373, Statutes of 1980  
Public Law 99-372  
Attorney's Fees - Special Education

Chairperson Gould recused himself from the hearing on this item.

Clayton Parker, representing the Newport-Mesa Unified School District, submitted a late filing on the test claim rebutting the staff analysis. Member Creighton stated that he had not had an opportunity to review the late filing and inquired on whether the claim should be heard at this hearing. Staff informed Member Creighton and Member Buenrostro that in reviewing the filing before this item was called, the filing appeared to be summary of the claimant's position on the staff analysis, and that there appeared to be no reason to continue the item.

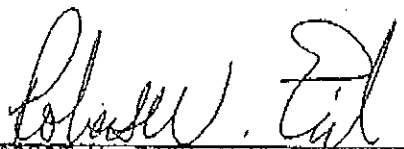
Mr. Parker stated that Commission staff had misstated the events that resulted in the claimant having to pay attorneys' fees to a pupil's guardians, and because of case law, courts do not have any discretion in awarding attorney's fees. Mr. Parker stated that because state legislation has codified the federal Education of the Handicapped Act, school districts are subject to the provisions of Public Law 94-142 and Public Law 99-372. Member Buenrostro then inquired whether staff was comfortable with discussing the issue of a state executive order incorporating federal law.

Minutes  
Hearing of May 25, 1989  
Page 6

Staff informed the Commission that it was not comfortable discussing this issue, and further noted that it appeared that Mr. Parker was basing his reasoning for finding P.L. 99-372 to be a state mandated program, on the Board of Control's finding that Chapter 1247, Statutes of 1977, and Chapter 797, Statutes of 1980, were a state mandated program. Staff noted that Board of Control's finding is currently the subject of the litigation in Huff v. Commission on State Mandates (Sacramento County Superior Court Case No. 352295).

Member Creighton moved and Member Martinez seconded a motion to continue this item and have legal counsel and staff review the arguments presented by Mr. Parker. The vote on the motion was unanimous. The motion carried.

With no further items on the agenda, Chairperson Gould adjourned the hearing at 11:45 a.m.



ROBERT W. EICH  
Executive Director

RWE:GLH:cm:0224g



# Tab 8

Page: 1 Document Name: Frances Stuart

COMMAND ==>

LRS-RA 20061025 180011 CC31090

CONTROLLER OF CALIFORNIA

P.O. BOX 942850, SACRAMENTO, CALIFORNIA 94250

SCROLL ==> SCREEN

P 5 R 1 C 1  
CC31090

THIS REMITTANCE ADVICE IS FOR INFORMATION PURPOSE ONLY.  
THE WARRANT COVERING THE AMOUNT SHOWN WILL BE MAILED  
DIRECTLY TO THE PAYEE.

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

WARRANT AMT: \*\*\*109,220.00

PAYEE: TREASURER, SIERRA JOINT COMM COLL DIST

FUND NAME: GENERAL FUND

PGM NBR: 00234

ISSUE DATE: 10/25/2006

CLAIM SCHEDULE NBR: MA61347X

REIMBURSEMENT OF STATE MANDATED COSTS

ANY QUESTIONS REGARDING THIS CLAIM CALL FRAN 916 323-0766

ACL : 1/84

PROG : HEALTH FEE ELIMINATION (CC)

2001/2002 ACTUAL PAYMENT

CLAIMED AMT: 180,817.00

TOTAL ADJUSTMENTS: (SEE BELOW)

.00

TOTAL APPROVED CLAIMED AMT:

180,817.00

LESS PRIOR PAYMENTS:

.00

PRORATA PERCENT:

100.000000

PRORATA BALANCE DUE:

.00

APPROVED PAYMENT AMOUNT:

123,598.00

PAYMENT OFFSETS (ACL NBR, NAME, FY, AMT.):

CH 961/75

COLLECTIVE BARGAINING (C 00/01

14,378-

NET PAYMENT AMOUNT:

109,220.00

ADJUSTMENTS ITEMIZED:

PRIOR PYMT TO/FR ANOTHER PGM

57,219.00-

*See copy of payment from pgm 29.  
next page*

# Tab 9

Page: 1 Document Name: Frances Stuart

Attas: *Steve Van Zee*

*3 pages*

SCROLL ==> SCREEN  
P 4 R 1 C 1  
CC31090

COMMAND ==>  
LRS-RA 20061025 180011 CC31090  
CONTROLLER OF CALIFORNIA  
P.O. BOX 942850, SACRAMENTO, CALIFORNIA 94250

THIS REMITTANCE ADVICE IS FOR INFORMATION PURPOSE ONLY.  
THE WARRANT COVERING THE AMOUNT SHOWN WILL BE MAILED  
DIRECTLY TO THE PAYEE.

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

WARRANT AMT: \*\*\*209,252.00

PAYEE: TREASURER, SIERRA JOINT COMM COLL DIST  
FUND NAME: GENERAL FUND

PGM NBR: 00234

ISSUE DATE: 10/25/2006 CLAIM SCHEDULE NBR: MA64136A  
REIMBURSEMENT OF STATE MANDATED COSTS  
ANY QUERIES REGARDING THIS CLAIM PLEASE CALL GWEN @916-3242341  
ACL : 1/84 PROG : HEALTH FEE ELIMINATION (CC)  
2002/2003 ACTUAL PAYMENT CLAIMED AMT: 209,252.00  
TOTAL ADJUSTMENTS: .00

TOTAL APPROVED CLAIMED AMT:	209,252.00
LESS PRIOR PAYMENTS:	.00
PRORATA PERCENT:	100.000000
PRORATA BALANCE DUE:	.00
APPROVED PAYMENT AMOUNT:	209,252.00
PAYMENT OFFSETS -NONE	
NET PAYMENT AMOUNT:	209,252.00

**DISTRICT'S**  
**INCORRECT REDUCTION CLAIM**  
**FILED WITH THE**  
**COMMISSION ON STATE MANDATES**  
**ON OCTOBER 11, 2007**



**COMMISSION ON STATE MANDATES**

980 NINTH STREET, SUITE 300  
SACRAMENTO, CA 95814  
PHONE: (916) 323-3562  
FAX: (916) 445-0278  
E-mail: csminfo@csn.ca.gov

RECEIVED  
STATE CONTROLLER'S OFFICE  
ACCOUNTING AND REPORTING



2007 OCT 29 PM 3:20

October 25, 2007

Mr. Keith B. Petersen  
SixTen and Associates  
3841 North Freeway Blvd., Suite 170  
Sacramento, CA 95834

Ms. Ginny Brummels  
Division of Accounting and Reporting  
State Controller's Office  
3301 C Street, Suite 501  
Sacramento, CA 95816

Re: **Incorrect Reduction Claim**  
*Health Fee Elimination*, 07-4206-I-16  
Education Code Section 76355;  
Statutes 1984, 2<sup>nd</sup> E.S., Chapter 1; Statutes 1987, Chapter 1118;  
Fiscal Years 2001-2002, 2002-2003, and 2003-2004  
Sierra Joint Community College District, Claimant

Dear Mr. Petersen and Ms. Brummels:

On October 11, 2007, the Sierra Joint Community College District filed an incorrect reduction claim (IRC) with the Commission on State Mandates (Commission) based on the *Health Fee Elimination* program for fiscal years 2001-2002, 2002-2003, and 2003-2004. Commission staff determined that the IRC filing is complete.

Government Code section 17551, subdivision (b), requires the Commission to hear and decide upon claims filed by local agencies and school districts that the State Controller's Office (SCO) has incorrectly reduced payments to the local agencies or school districts.

**SCO Review and Response.** Please file the SCO response and supporting documentation regarding this claim within 90 days of the date of this letter. Please include an explanation of the reason(s) for the reductions and the computation of reimbursements. All documentary evidence must be authenticated by declarations under penalty of perjury signed by persons who are authorized and competent to do so and be based on the declarant's personal knowledge, information or belief. The Commission's regulations also require that the responses (opposition or recommendation) filed with the Commission be simultaneously served on the claimants and their designated representatives, and accompanied by a proof of service (Cal. Code Regs., tit. 2, § 1185.01).

The failure of the SCO to respond within this 90-day timeline shall not cause the Commission to delay consideration of this IRC.

**Claimant's Rebuttal.** Upon receipt of the SCO response, the claimant and interested parties may file rebuttals. The rebuttals are due 30 days from the service date of the response.

**Prehearing Conference.** A prehearing conference will be scheduled if requested.

**Public Hearing and Staff Analysis.** The public hearing on this claim will be scheduled after the record closes. A staff analysis will be issued on the IRC at least eight weeks prior to the public hearing.

**Dismissal of Incorrect Reduction Claims.** Under section 1188.31 of the Commission's regulations, IRCs may be dismissed if postponed or placed on inactive status by the claimant for more than one year. Prior to dismissing a claim, the Commission will provide 60 days notice and opportunity for the claimant to be heard on the proposed dismissal.

Please contact Victoria Soriano at (916) 323-8213 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Patton", written in a cursive style.

NANCY PATTON  
Assistant Executive Director

cc: Joyce Lopes, Director of Finance  
Enclosure: Incorrect Reduction Claim Filing - (SCO only)



# SixTen and Associates Mandate Reimbursement Services

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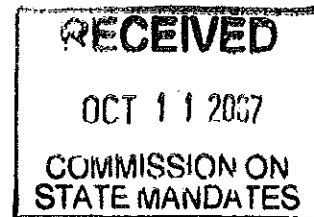
KEITH B. PETERSEN, MPA, JD, President  
E-Mail: Kbpsixten@aol.com

San Diego  
5252 Balboa Avenue, Suite 900  
San Diego, CA 92117  
Telephone: (858) 514-8605  
Fax: (858) 514-8645

Sacramento  
3841 North Freeway Blvd., Suite 170  
Sacramento, CA 95834  
Telephone: (916) 565-6104  
Fax: (916) 564-6103

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](mailto: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](mailto: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  
SixTen and Associates  
3841 North Freeway Blvd., Suite 170  
Sacramento, CA 95834  
Voice: (916) 565-6104  
Fax: (916) 564-6103  
E-mail: [Kbpsixten@aol.com](mailto:Kbpsixten@aol.com)

For CSM Use Only	
Filing Date:	<b>RECEIVED</b> OCT 11 2007 COMMISSION ON STATE MANDATES
IRC #:	07-4206-I-16

## 4. IDENTIFICATION OF STATUTES OR EXECUTIVE ORDERS

Statutes of 1984, Chapter 1, 2<sup>nd</sup> 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.

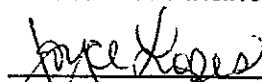
Sections 7-14 are attached as follows:

7. <b>Written Detailed Narrative:</b>	Pages 1 to 26
8. <b>SCO Payment Letters:</b>	Exhibit <u>A</u>
9. <b>SCO Legal Counsel Letter:</b>	Exhibit <u>B</u>
10. <b>Parameters and Guidelines:</b>	Exhibit <u>C</u>
11. <b>Claiming Instructions:</b>	Exhibit <u>D</u>
12. <b>Final Audit Report:</b>	Exhibit <u>E</u>
13. <b>Chancellor's Letter</b>	Exhibit <u>F</u>
14. <b>Reimbursement Claims</b>	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

8  
9  
10 BEFORE THE  
11 COMMISSION ON STATE MANDATES  
12 STATE OF CALIFORNIA

13 INCORRECT REDUCTION CLAIM OF: )  
14 ) No. CSM \_\_\_\_\_  
15 )  
16 ) Chapter 1, Statutes of 1984, 2nd E.S.  
17 ) Chapter 1118, Statutes of 1987  
18 )  
19 **SIERRA JOINT** )  
20 Community College District, ) Education Code Section 76355  
21 )  
22 ) **Health Fee Elimination**  
23 Claimant. )  
24 ) Annual Reimbursement Claims:  
25 )  
26 ) Fiscal Year 2001-02  
27 ) Fiscal Year 2002-03  
28 ) Fiscal Year 2003-04  
29 )  
30 \_\_\_\_\_ )

INCORRECT REDUCTION CLAIM FILING

31 PART I. AUTHORITY FOR THE CLAIM

32 The Commission on State Mandates has the authority pursuant to Government  
33 Code Section 17551(d) to " . . . hear and decide upon a claim by a local agency or  
34 school district, filed on or after January 1, 1985, that the Controller has incorrectly  
35 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.

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

---

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, 2<sup>nd</sup> 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>&lt;State&gt; 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, 2<sup>nd</sup> Extraordinary Session, repealed Education

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

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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 76355<sup>1</sup>, containing substantially the same provisions as former

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<sup>1</sup> 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

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1 Section 72246, effective April 15, 1993.

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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."



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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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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

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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."

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1 Title 5, CCR, Section 54702<sup>2</sup> indicates these services performed by the

<sup>2</sup> **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 54704<sup>3</sup>, 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,

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<sup>3</sup> **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.

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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:

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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)." <sup>4</sup>

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

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

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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

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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. 4<sup>th</sup>  
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

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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.



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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.

1 **Finding 4: Understated offsetting revenues**

2 The District is not disputing this adjustment.

3 **Amounts Paid By The State**

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

	Fiscal Year of Claim		
8 <u>Amount Paid by the State</u>	9 <u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
10 As Claimed	\$57,219	\$0	\$0
11 As Audited	\$180,817	\$209,252	\$0

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

14 **PART VIII. RELIEF REQUESTED**

15 The District filed its annual reimbursement claims within the time limits  
16 prescribed by the Government Code. The amounts claimed by the District for  
17 reimbursement of the costs of implementing the program imposed by Chapter 1,  
18 Statutes of 1984, 2nd Extraordinary Session, Chapter 1118, Statutes of 1987, and  
19 Education Code Section 76355 represent the actual costs incurred by the District to  
20 carry out this program. These costs were properly claimed pursuant to the  
21 Commission's parameters and guidelines. Reimbursement of these costs is required  
22 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

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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 21, 2007, at Rocklin, California, by

8 Joyce Lopes  
9 Joyce Lopes, Director of Finance  
10 Sierra Joint Community College District  
11 5000 Rocklin Road  
12 Rocklin, CA 95677-3397  
13 Voice: 916-789-2658  
14 Fax: 916-781-0455  
15 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 Joyce Lopes  
20 Joyce Lopes, Director of Finance  
21 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 9-1-958-514-8645

COMMAND ==>  
LRSP572 20061219 200012

SCROLL ==> SCREEN  
P 2 R 1 C 1  
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		209,252.00
TOTAL ADJUSTMENTS (DETAILS BELOW)	-	207,443.00
TOTAL PRIOR PAYMENTS (DETAILS BELOW)		-209,252.00
AMOUNT DUE STATE		<u>207,443.00</u>

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			- 207,443.00
PRIOR PAYMENTS:			
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 FRAN 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 POM	-	57,219.00	
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 #	

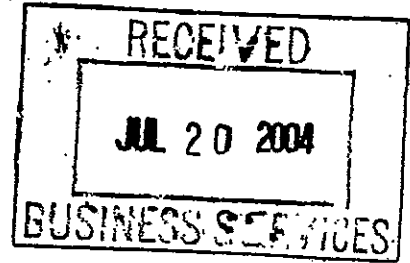
SINCERELY,

*Ginny Brummel*  
 GINNY BRUMMEL'S, 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
- Mido1 - 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.

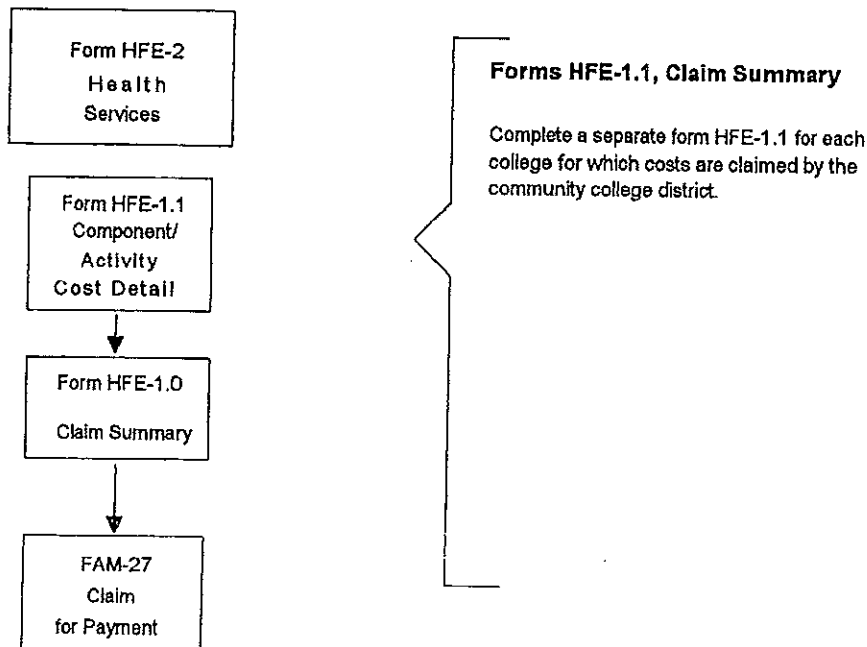
**C. Form HFE-1.0, Claim Summary**

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

Program

(19) Program Number 00029

(20) Date Filed \_\_\_/\_\_\_/\_\_\_

(21) LRS Input \_\_\_/\_\_\_/\_\_\_

**029**

LABEL HERE	(01) Claimant Identification Number		<b>Reimbursement Claim Data</b>	
	(02) Claimant Name			
	County of Location			
	Street Address or P.O. Box			
	City State Zip Code			

<b>Type of Claim</b>	(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)
(06) 20__/20__	(12) 20__/20__	(30)	(29)
(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)	
(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 _____

<b>Program</b> <b>029</b>	<b>HEALTH FEE ELIMINATION</b> <b>Certification Claim Form</b> <b>Instructions</b>	<b>FORM</b> <b>FAM-27</b>
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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

<b>MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY</b>		<b>FORM HFE-1.0</b>
(01) Claimant	(02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year  19__/19__
<b>(03) List all the colleges of the community college district identified in form HFE-1.1, line (03)</b>		
(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.		
<b>(04) Total Amount Claimed</b>	[Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)]	

<b>HEALTH FEE ELIMINATION CLAIM SUMMARY Instructions</b>	<b>FORM HFE-1.0</b>
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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
(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 <input type="checkbox"/>		SAME <input type="checkbox"/>		MORE <input type="checkbox"/>			
					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)]			
<b>Cost Reduction</b>							
(11) Less: Offsetting Savings, if applicable							
(12) Less: Other Reimbursements, if applicable							
(13) Total Amount Claimed				[Line (10) - (line (11) + line (12))]			

<p><b>HEALTH FEE ELIMINATION CLAIM SUMMARY Instructions</b></p>	<p><b>FORM HFE-1.1</b></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) 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.



<b>MANDATED COSTS</b> <b>HEALTH ELIMINATION FEE</b> <b>HEALTH SERVICES</b>		<b>FORM</b> <b>HFE-2</b>	
(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			

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



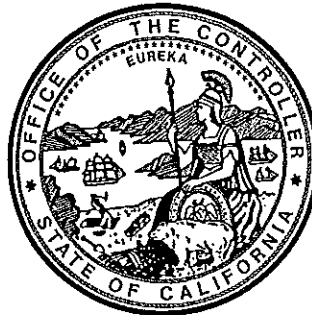
# SIERRA JOINT COMMUNITY COLLEGE DISTRICT

Audit Report

## HEALTH FEE ELIMINATION PROGRAM

Chapter 1, Statutes of 1984, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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](http://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](mailto: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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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 <sup>1</sup>
<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 <sup>1</sup>
<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	\$ 188,299	—	\$ (188,299)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ —		
<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	\$ 578,368	17,522	\$ (560,846)	
Less amount paid by the State		(390,069)		
Allowable costs claimed in excess of (less than) amount paid		\$ (372,547)		

<sup>1</sup> 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	<u>(34.39)%</u>	<u>(35.00)%</u>	<u>(39.15)%</u>
Unsupported indirect cost rate	<u>(15.94)%</u>	<u>(13.94)%</u>	<u>(16.99)%</u>

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.]”<sup>1</sup> 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.

<sup>1</sup> 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)<sup>2</sup>.” 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.

<sup>2</sup> 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.<sup>3</sup> 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.

<sup>3</sup> *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	\$ (19,345)	\$ 6,750	\$ 6,958	\$ (5,637)

*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**

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# SIERRA COLLEGE

We facilitate learning, inspire change and build community

September 12<sup>th</sup>, 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 30<sup>th</sup>, 2006, and received by the District on September 5<sup>th</sup>, 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 1<sup>st</sup>, 2001 through June 30<sup>th</sup>, 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)<sup>1</sup>." 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

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<sup>1</sup> 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.

○ ○ ○

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  
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**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\01 StudentHealthFees\01\StuHealthFees.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**

(01) Claimant Identification Number: S31090			Reimbursement Claim Data	
(02) Mailing Address:			(22) HFE - 1.0, (04)(b)	\$ 180,817
Claimant Name Sierra Joint Community College District			(23)	
County of Location Placer			(24)	
Street Address 5000 Rocklin Road			(25)	
City State Zip Code Rocklin CA 95677			(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) 2002-2003	(12) 2001-2002	(31)	
Total Claimed Amount	(07) \$ 198,000	(13) \$ 180,817	(32)	
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	(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

*Robert Wickstrom*  
Robert Wickstrom

01/10/03  
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 <b>029</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.0</b>
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<b>(01) Claimant:</b> Claimant Name Sierra Joint Community College District	<b>(02) Type of Claim:</b> 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.		\$	-

<b>(04) Total Amount Claimed</b>	[Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)]	\$	180,817
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<b>Program</b> <span style="font-size: 2em; font-weight: bold;">029</span>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.1</b>
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<b>(01) Claimant:</b>  Sierra Joint Community College District	<b>(02) Type of Claim:</b> 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
<b>(05) Cost of Health Services for the Fiscal year of Claim</b>	\$ 357,875	\$ 123,073	\$ 480,948
<b>(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87</b>	\$ 5,000.00	\$ 1,720	\$ 6,720
<b>(07) Cost of providing current fiscal year health services at the 1986/87 level</b> [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 <b>029</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.2</b>
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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

<b>Cost Reduction</b>		
(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
<b>INSTRUCTIONAL ACTIVITY</b>		
	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	25,349
	<b>TOTAL INSTRUCTIONAL COSTS 1</b>	<b>24,017,346</b>
	Non-Instructional Costs	
	Non-Instructional Salaries and Benefits	0
	Instructional Admin. Salaries and Benefits	2,793,600
	Instructional Admin. Operating Expenses	529,649
	Auxiliary Classes Non-Inst. Salaries and Benefits	666,857
	Auxiliary Classes Operating Expenses	1,280,626
	<b>TOTAL NON-INSTRUCTIONAL COSTS 2</b>	<b>5,282,732</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS 1 (1 + 2)</b>	<b>29,300,078</b>
<b>DIRECT SUPPORT ACTIVITY</b>		
	Direct Support Costs	
	Instructional Support Services Non Inst. Salaries and Benefits	2,926,167
	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
	<b>TOTAL DIRECT SUPPORT COSTS 4</b>	<b>8,391,939</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS 1 (3 + 4)</b>	<b>37,692,017</b>
	Indirect Support Costs	
	Operation and Maintenance of Plant	4,117,987
	Planning and Policy Making	632,202
	General Instructional Support Services	2,213,974
	<b>TOTAL INDIRECT SUPPORT COSTS 6</b>	<b>12,964,163</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS AND TOTAL INDIRECT SUPPORT COSTS (5 + 6) = TOTAL COSTS</b>	<b>50,656,180</b>
<b>SUPPORT COSTS ALLOCATION RATES</b>		
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%

<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>HFE-2.1</b>
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(01) Claimant  Sierra Joint Community College District	Fiscal Year  2001-2002
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(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
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Accident Reports	X	X
Appointments		
College Physician, surgeon	X	X
Dermatology, Family practice	X	X
Internal Medicine		
Outside Physician	X	X
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	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  
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	X	X
Parking Cards/Elevator Keys		
Tokens		
Return Card/Key		
Parking Inquiry		
Elevator Passes		
Temporary Handicapped Parking Permits		

<b>Program</b> <span style="font-size: 2em; font-weight: bold;">029</span>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>HFE-2.1</b>
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(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	X	X
.. 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	X	X
EKG	X	X
Strep A Testing	X	X
PG Testing	X	X
Monospot	X	X
Hemacult	X	X
Others, list	X	X
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	X	X
Wart Removal	X	X
Others, list	X	X
Committees	X	X
Safety	X	X
Environmental	X	X
Disaster Planning	X	X
Skin Rash Preparations	X	X
Eye Drops	X	X

**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  
A  
B  
E  
L  
H  
E  
R  
E

(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)	
(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) 2003-2004	(12) 2002-2003	
Total Claimed Amount (07) \$ 200,000	(13) \$ 209,252	
Less: 10% Late Penalty, but not to exceed \$1000	(14) \$	
Less: Estimate Claim Payment Received	(15) \$	
Net Claimed Amount	(16) \$ 209,252	
Due from State (08) \$ 200,000	(17) \$ 209,252	
Due to State	(18) \$	

**(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  
Type or Print Name

Director of Finance  
Title

(39) Name of Contact Person or Claim

Telephone Number (858) 514-8605

SixTen and Associates

E-Mail Address kbpsixten@aol.com

<b>Program</b> <span style="font-size: 2em; font-weight: bold;">029</span>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.0</b>
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<b>(01) Claimant:</b>	<b>(02) Type of Claim:</b>	<b>Fiscal Year</b>
Claimant Name	Reimbursement <input style="width: 50px;" type="checkbox"/> X	
Sierra Joint Community College District	Estimated <input style="width: 50px;" type="checkbox"/>	2002-2003

**(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.		\$	-
<b>(04) Total Amount Claimed</b>	[Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)]	\$	209,252

<b>Program</b> <span style="font-size: 2em; font-weight: bold;">029</span>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.1</b>
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<b>(01) Claimant:</b>  Sierra Joint Community College District	<b>(02) Type of Claim:</b> 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
<b>(05) Cost of Health Services for the Fiscal year of Claim</b>	\$ 437,560	\$ 153,146	\$ 590,706
<b>(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87</b>	\$ 5,000	\$ 1,750	\$ 6,750
<b>(07) Cost of providing current fiscal year health services at the 1986/87 level</b> [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**

<b>(11) Less: Offsetting Savings, if applicable</b>	\$ -
<b>(12) Less: Other Reimbursements, if applicable</b>	\$ 25,355
<b>(13) Total Amount Claimed</b> [Line (10) - {(line (11) + line (12))}]	\$ 209,252

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

For 02-03 claims

REFERENCE (CCFS 311)	DESCRIPTION	2001-2002
<b>INSTRUCTIONAL ACTIVITY</b>		
	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
	<b>TOTAL INSTRUCTIONAL COSTS 1</b>	<b>26,641,618</b>
	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
	<b>TOTAL NON-INSTRUCTIONAL COSTS 2</b>	<b>3,879,253</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS 3 (1 + 2)</b>	<b>30,520,871</b>
<b>DIRECT SUPPORT ACTIVITY</b>		
	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
	Counseling and Guidance	2,565,093
	Other Student Services	3,503,777
	<b>TOTAL DIRECT SUPPORT COSTS 4</b>	<b>9,372,858</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS 5 (3 + 4)</b>	<b>39,893,729</b>
	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
	<b>TOTAL INDIRECT SUPPORT COSTS 6</b>	<b>13,964,633</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS AND TOTAL INDIRECT SUPPORT COSTS (5 + 6) = TOTAL COSTS</b>	<b>53,858,362</b>
<b>SUPPORT COSTS ALLOCATION RATES</b>		
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%



<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>HFE-2.1</b>
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(01) Claimant  Sierra Joint Community College District	Fiscal Year  2002-2003
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(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 <b>029</b>	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		X	X
Parking Cards/Elevator Keys			
Tokens			
Return Card/Key			
Parking Inquiry			
Elevator Passes			
Temporary Handicapped Parking Permits			

Program <b>029</b>	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
<b>Referrals to Outside Agencies</b> Private Medical Doctor Health Department Clinic Dental Counseling Centers Crisis Centers Transitional Living Facilities, battered/homeless women Family Planning Facilities Other Health Agencies		X X X X X X X X X	X X X X X X X X
<b>Tests</b> Blood Pressure Hearing Tuberculosis Reading Information Vision Glucometer Urinalysis Hemoglobin EKG Strep A Testing PG Testing Monospot Hemacult Others, list		X X X X X X X X X X X X X X X	X X X X X X X X X X X X
<b>Miscellaneous</b> Absence Excuses/PE Waiver Allergy Injections Band-aids Booklets/Pamphlets Dressing Change Rest Suture Removal Temperature Weigh Information Report/Form Wart Removal Others, list		X X X X X X X X X X X X	X X X X X X X X X X
<b>Committees</b> Safety Environmental Disaster Planning Skin Rash Preparations Eye Drops		X	X

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

(19) Program Number 00234  
(20) Date Filed \_\_\_/\_\_\_/\_\_\_  
(21) LRS Input \_\_\_/\_\_\_/\_\_\_

**Program**  
**234**

L A R E L  H E R E	(01) Claimant Identification Number: CC31090		Reimbursement Claim Data	
	(02) Claimant Name: Sierra Joint Community College District			
	County of Location: Placer		(23)	
	Street Address: 5000 Rocklin Road		(24)	
	City: Rocklin	State: CA	Zip Code: 95677	(25)

Type of Claim	Estimated 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)	
		(29)	
Fiscal Year of Cost	(06) 2004-2005	(12) 2003-2004	(30)
Total Claimed Amount	(07) \$ 207,000	(13) \$ 188,299	(31)
Less: 10% Late Penalty		(14) \$	(32)
Less: Prior Claim Payment Received		(15) \$	(33)
Net Claimed Amount		(16) \$ 188,299	(34)
Due from State	(08) \$ 207,000	(17) \$ 188,299	(35)
Due to State		(18)	(36)

**(37) CERTIFICATION OF CLAIM**

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 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. 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.

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.

Signature of Authorized Officer (USE BLUE INK) \_\_\_\_\_ Date \_\_\_\_\_  
*Joyce Lopes* \_\_\_\_\_ 1/11/05

Type or Print Name \_\_\_\_\_ Director of Finance \_\_\_\_\_  
 Joyce Lopes \_\_\_\_\_ Title \_\_\_\_\_

(38) Name of Contact Person for Claim \_\_\_\_\_ Telephone Number: (858) 514-8605  
 SixTen and Associates \_\_\_\_\_ E-mail Address: kbpsixten@aol.com

<b>MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY</b>	<b>FORM HFE-1.0</b>
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(01) Claimant:  Sierra Joint Community College District	(02) Type of Claim: <table style="width: 100%; border: none;"> <tr> <td style="padding: 2px;">Reimbursement</td> <td style="text-align: center; padding: 2px;"><input checked="" type="checkbox"/></td> <td style="padding: 2px;">Fiscal Year</td> </tr> <tr> <td style="padding: 2px;">Estimated</td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/></td> <td style="padding: 2px;">2003-2004</td> </tr> </table>	Reimbursement	<input checked="" type="checkbox"/>	Fiscal Year	Estimated	<input type="checkbox"/>	2003-2004
Reimbursement	<input checked="" type="checkbox"/>	Fiscal Year					
Estimated	<input type="checkbox"/>	2003-2004					

(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))	\$ 188,299
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<b>PROGRAM</b> <b>234</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.1</b>
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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.

<input type="checkbox"/> LESS	<input type="checkbox"/> SAME	<input checked="" type="checkbox"/> MORE
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	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  
CLAMS

REFERENCE (CCFS 311)	DESCRIPTION	2002-2003
<b>INSTRUCTIONAL ACTIVITY</b>		
	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
	<b>TOTAL INSTRUCTIONAL COSTS 1</b>	<b>26,628,241</b>
	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
	<b>TOTAL NON-INSTRUCTIONAL COSTS 2</b>	<b>3,706,263</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS 3 (1 + 2)</b>	<b>30,334,504</b>
<b>DIRECT SUPPORT ACTIVITY</b>		
	Direct Support Costs	
	Instructional Support Services Non Inst. Salaries and Benefits	1,671,478
	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
	<b>TOTAL DIRECT SUPPORT COSTS 4</b>	<b>9,750,372</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS 5 (1 + 4)</b>	<b>40,084,876</b>
	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
	<b>TOTAL INDIRECT SUPPORT COSTS 6</b>	<b>15,692,806</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS, AND TOTAL INDIRECT SUPPORT COSTS (5 + 6) = TOTAL COSTS</b>	<b>55,777,682</b>
<b>SUPPORT COSTS ALLOCATION RATES</b>		
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 <b>029</b>	<b>MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM HFE-2</b>	
(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			



<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>1/84 HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>HFE-2</b>	
(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 Stop Smoking Library, Videos and Cassettes	X X X	X X X	
First Aid, Major Emergencies First Aid, Minor Emergencies First Aid Kits, Filled	X X	X X	
Immunizations Diphtheria/Tetanus Measles/Rubella Influenza Information			
Insurance On Campus Accident Voluntary Insurance Inquiry/Claim Administration	X X X	X X X	
Laboratory Tests Done Inquiry/Interpretation Pap Smears	X X	X X	
Physical Examinations Employees Students Athletes	X X X	X X X	
Medications Antacids Antidiarrheal Aspirin, Tylenol, etc., Skin Rash Preparations Eye Drops Ear Drops Toothache, oil cloves Stingkill Midol, Menstrual Cramps Other, list-->	X X X X X X X X X	X X X X X X X X	
Parking Cards/Elevator Keys Tokens Return Card/Key Parking Inquiry Elevator Passes Temporary Handicapped Parking Permits			

<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>1/84 HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>HFE-2</b>
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(01) Claimant Sierra Joint Community College District	(02) Fiscal Year costs were incurred:  2003-2004
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(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
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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	X	X
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		