



RECEIVED
May 07, 2015
**Commission on
State Mandates**

BETTY T. YEE
California State Controller

May 7, 2015

Heather Halsey
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: Draft Proposed Decision
Incorrect Reduction Claim
Health Fee Elimination, 09-4206-I-22
Education Code Section 76355
Statutes of 1984, Chapter 1, 2nd E.S.; Statutes of 1987, Chapter 1118
Fiscal Years 2003-04, 2004-2005, and 2005-2006
Long Beach Community College District, Claimant

Dear Ms. Halsey:

The State Controller's Office (SCO) has reviewed the Commission on State Mandates' (Commission) draft staff analysis dated May 1, 2015, for the above referenced incorrect reduction claim filed by Long Beach Community College District. We support the Commission's conclusion and recommendation.

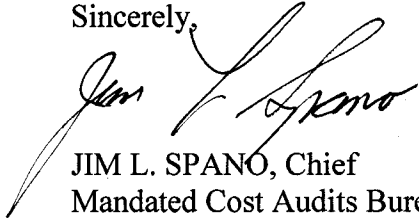
The Commission supported the SCO adjustments related to the following:

- The audit of the FY 2003-04 claim was not time-barred by any statutory limitation.
- Reduction of indirect costs based on recalculation of the indirect cost rate for FY 2003-04, totaling \$75,504, is correct as a matter of law.
- Reduction based on understated offsetting health service fee revenues, totaling \$639,989, is correct as a matter of law.

Heather Halsey, Executive Director
May 7, 2015
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If you have any questions, please contact me by telephone at (916) 323-5849.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L. Spano". The signature is written in a cursive style with a large, sweeping initial "J".

JIM L. SPANO, Chief
Mandated Cost Audits Bureau
Division of Audits

JLS/lr

15566

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On May 6, 2015, I served the:

SCO Comments on Draft Proposed Decision

Health Fee Elimination, 09-4206-I-22

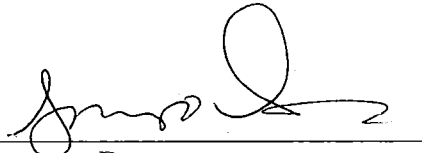
Education Code Section 76355, Statutes 1984, Chapter 1 (1983-1984 2nd Ex. Sess.) (AB2X 1) and Statutes 1987, Chapter 1118 (AB 2336)

Fiscal Years 2003-2004, 2004-2005, and 2005-2006

Long Beach Community College District, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on May 6, 2015 at Sacramento, California.



Lorenzo Duran
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 4/24/15

Claim Number: 09-4206-I-22

Matter: Health Fee Elimination

Claimant: Long Beach Community College District

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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