

SixTen and Associates

Mandate Reimbursement Services

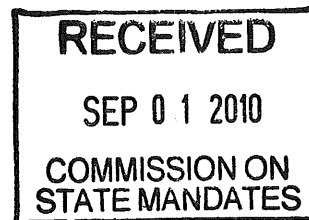
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August 31, 2010

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



RE: Health Fee Elimination #2
Fiscal Years: 2002-03 through 2006-07
Incorrect Reduction Claim

Dear Ms. Higashi:

Enclosed is the original and two copies of the above referenced incorrect reduction claim for State Center 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:

Douglas R. Brinkley, Vice Chancellor
Finance and Administration
State Center Community College District
1525 East Weldon Avenue
Fresno, CA 93704-6398

Thank-you.

Sincerely,

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

Keith B. Petersen

COMMISSION ON STATE MANDATES

1. INCORRECT REDUCTION CLAIM TITLE

State Center Community College District
1/84, 1118/87 Health Fee Elimination #2

This is the second incorrect reduction claim filed by the District for this mandate program.

2. CLAIMANT INFORMATION

Douglas Brinkley, Vice-Chancellor,
Finance and Administration
State Center Community College District
1525 East Weldon Ave.
Fresno, CA 93704
Phone: (559) 244-5910
Fax: (559) 243-1949
E-Mail: doug.brinkley@scccd.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
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| | |
|---------------|------------------------------|
| For Court Use | RECEIVED |
| Filing Date: | SEP 01 2010 |
| IRC #: | COMMISSION ON STATE MANDATES |

4. IDENTIFICATION OF STATUTES OR EXECUTIVE ORDERS

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

5. AMOUNT OF INCORRECT REDUCTION

| <u>Fiscal Year</u> | <u>Amount of Reduction</u> |
|--------------------|----------------------------|
| 2002-03 | \$237,764 |
| 2003-04 | \$100,782 |
| 2004-05 | \$ 0 |
| 2005-06 | \$473,160 |
| 2006-07 | \$ 91,038 |
| TOTAL: | \$902,744 |

6. NOTICE OF NO INTENT TO CONSOLIDATE

This claim is not being filed with the intent to consolidate on behalf of other claimants.

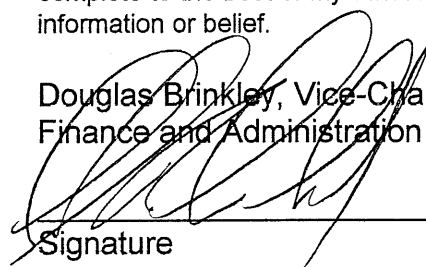
Sections 7-14 are attached as follows:

| | |
|-----------------------------------|------------------|
| 7. Written Detailed Narrative: | Pages 1 to 28 |
| 8. SCO Results of Review Letters: | Exhibit <u>A</u> |
| 9. Parameters and Guidelines: | Exhibit <u>B</u> |
| 10. SCO Claiming Instructions: | Exhibit <u>C</u> |
| 11. SCO Audit Report: | Exhibit <u>D</u> |
| 12. Chancellor's Letter: | Exhibit <u>E</u> |
| 13. SCO Mandated Cost Manual: | Exhibit <u>F</u> |
| 14. Annual Reimbursement Claims: | Exhibit <u>G</u> |

15. CLAIM CERTIFICATION

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

Douglas Brinkley, Vice-Chancellor
Finance and Administration


Signature

8/19/10
Date

1 Claim Prepared by:
2 Keith B. Petersen
3 SixTen and Associates
4 3270 Arena Blvd., Suite 400-363
5 Sacramento, California 95834
6 Voice: (916) 419-7093
7 Fax: (916) 263-9701
8 E-mail: kbpsixten@aol.com
9

10 BEFORE THE

11 COMMISSION ON STATE MANDATES

12 STATE OF CALIFORNIA

13 INCORRECT REDUCTION CLAIM OF:)
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No. CSM _____

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

STATE CENTER
Community College District,

Education Code Section 76355

Health Fee Elimination #2

Claimant.

Annual Reimbursement Claims:

Fiscal Year 2002-03

Fiscal Year 2003-04

Fiscal Year 2004-05

Fiscal Year 2005-06

Fiscal Year 2006-07

INCORRECT REDUCTION CLAIM FILING

33 PART I. AUTHORITY FOR THE CLAIM

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

Incorrect Reduction Claim of State Center Community College District
1/84; 1118/87 Health Fee Elimination #2

1 subdivision (d) of Section 17561.” State Center Community College District (hereafter
2 “District” or “Claimant”) is a school district as defined in Government Code Section
3 17519.¹ 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 date
7 of the Controller’s remittance advice notifying the claimant of a reduction. A Controller’s
8 audit report dated June 11, 2010, has been issued which constitutes a demand for
9 repayment and adjudication of the claim. On June 24, 2010, the Controller issued
10 “results of review letters” for FY 2002-03, FY 2003-04, and FY 2006-07 reporting the
11 audit results and amounts due the state and this constitutes a payment action. No
12 results of review letter was received for FY 2005-06. On July 14, 2010, the Controller
13 issued “results of audit letters” for FY 2002-03, FY 2003-04, FY 2005-06, and FY 2006-
14 07 reporting the audit results and amounts due the state and this constitutes a payment
15 adjudication. Copies of these letters are attached as Exhibit “A.” No letter is needed for
16 FY 2004-05 since the net adjustment amount was zero.

17 There is no alternative dispute resolution process available from the Controller’s
18 office. The audit report transmittal letter states that an incorrect reduction claim should

¹ Government Code Section 17519, added by Chapter 1459, Statutes of 1984,
Section 1:

“‘School district’ means any school district, community college district, or county
superintendent of schools.”

Incorrect Reduction Claim of State Center Community College District
1/84; 1118/87 Health Fee Elimination #2

1 be filed with the Commission if the claimant disagrees with the findings.

2 PART II. SUMMARY OF THE CLAIM

3 The Controller conducted a field audit of District's annual reimbursement claims
4 for the District's actual costs of complying with the legislatively mandated Health Fee
5 Elimination Program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session and
6 Chapter 1118, Statutes of 1987) for the period of July 1, 2002 through June 30, 2007.

7 The audit determined that \$902,744 of the claimed costs were unallowable:

| 8 | Fiscal | Amount | Audit | SCO | Amount Due |
|----|-------------|------------------------|-------------------|------------------|-------------------------------|
| 9 | <u>Year</u> | <u>Claimed</u> | <u>Adjustment</u> | <u>Payments</u> | <u><State> District</u> |
| 10 | 2002-03 | \$615,935 | \$237,764 | \$615,935 | <\$237,764> |
| 11 | 2003-04 | \$369,327 | \$100,782 | \$ 0 | \$268,545 |
| 12 | 2004-05 | \$395,163 | \$ 0 | \$ 0 | \$395,163 |
| 13 | 2005-06 | \$686,789 ² | \$473,160 | \$ 0 | \$213,629 |
| 14 | 2006-07 | <u>\$191,257</u> | <u>\$ 91,038</u> | <u>\$191,257</u> | <u><\$ 91,038></u> |
| 15 | Totals | \$2,258,471 | \$902,744 | \$807,192 | \$548,535 |

16
17 Since the audit report states that the District has been paid \$807,192 for these
18 annual claims, the audit report concludes that the amount of \$548,535 is due the
19 District.

20 PART III. PREVIOUS INCORRECT REDUCTION CLAIMS

21 This is the second incorrect reduction claim filed on this program by this District.
22 On September 1, 2005, the District filed an incorrect reduction claim for fiscal years

² The FY 2005-06 audited annual claim is an amended claim. The original amount of annual claim was \$391,881. The amended annual claim amount is \$696,789 less a late filing penalty of \$10,000.

1 1999-00, 2000-01, and 2001-02 for this mandate. That incorrect reduction claim is still
2 pending action by the Commission on State Mandates. The District is not aware of any
3 incorrect reduction claims having been adjudicated on the specific issues or subject
4 matter raised by this incorrect reduction claim.

5 PART IV. BASIS FOR REIMBURSEMENT

6 1. Mandate Legislation

7 Chapter 1, Statutes of 1984, 2nd Extraordinary Session, repealed Education
8 Code Section 72246 and added new Education Code Section 72246, which authorized
9 community college districts to charge a student health services fee for the purposes of
10 providing health supervision and services, and operating student health centers. This
11 statute also required that the scope of student health services provided by any
12 community college district during the 1983-84 fiscal year be maintained at that level in
13 the 1984-85 fiscal year and every year thereafter. The provisions of this statute were to
14 automatically repeal on December 31, 1987.

15 Chapter 1118, Statutes of 1987, amended Education Code Section 72246 to
16 require any community college district that provided student health services in fiscal year
17 1986-87 to maintain student health services at that level in 1987-88 and each fiscal year
18 thereafter.

19 Chapter 753, Statutes of 1992, amended Education Code Section 72246 to
20 increase the maximum fee that community college districts were permitted to charge for
21 student health services. This statute also provided for future increases in the amount of

1 the authorized fees that were linked to the Implicit Price Deflator for State and Local
2 Government Purchase of Goods and Services.

3 Chapter 8, Statutes of 1993, repealed Education Code Section 72246, and added
4 Education Code Section 76355³ containing substantially the same provisions as

³ Education Code Section 76355, added by Chapter 8, Statutes of 1993, effective April 15, 1993, as last amended by Chapter 758, Statutes of 1995:

(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 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

1 former Section 72246, effective April 15, 1993.

2 Chapter 320, Statutes of 2005, effective January 1, 2006, amended Education
3 Code Section 76355 to remove the fee exemption for low-income students under
4 76355(c)(3).

5 2. Test Claim

6 On November 27, 1985, Rio Hondo Community College District filed a test claim
7 alleging that Chapter 1, Statutes of 1984, 2nd Extraordinary Session mandated
8 increased costs within the meaning of California Constitution Article XIII B, Section 6, by
9 requiring the provision of student health services that were previously provided at the
10 discretion of the community college districts.

district designated by the California Community Colleges Budget and Accounting Manual. These fees shall be expended only to provide health services as specified in regulations adopted by the board of governors.

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

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

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

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

Incorrect Reduction Claim of State Center Community College District
1/84; 1118/87 Health Fee Elimination #2

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

7 On April 27, 1989, the Commission on State Mandates determined that Chapter
8 1118, Statutes of 1987, amended this requirement to apply to all community college
9 districts that provided student health services in fiscal year 1986-1987, and required
10 them to maintain that level of student health services in fiscal year 1987-1988 and each
11 fiscal year thereafter.

12 3. Parameters and Guidelines

13 On August 27, 1987, the original parameters and guidelines were adopted. On
14 May 25, 1989, those parameters and guidelines were amended. A copy of the May 25,
15 1989, parameters and guidelines is attached as Exhibit "B."

16 4. Claiming Instructions

17 The Controller has periodically issued or revised claiming instructions for the
18 Health Fee Elimination mandate. A copy of the September 2003 revision of the claiming
19 instructions is attached as Exhibit "C." The September 2003 claiming instructions are
20 believed to be substantially similar to the version extant at the time the claims that are
21 the subject of this incorrect reduction claim were filed. However, because the

1 Controller's claim forms and instructions have not been adopted as regulations, they
2 have no force of law and no effect on the outcome of this claim.

3 PART V. STATE CONTROLLER CLAIM ADJUDICATION

4 The Controller conducted an audit of the District's annual reimbursement claims
5 for fiscal years 2002-03, 2003-04, 2004-05, 2005-06, and 2006-07. The audit concluded
6 that 60% of the District's costs claimed were allowable. A copy of the June 11, 2010,
7 final audit report is attached as Exhibit "D."

8 VI. CLAIMANT'S RESPONSE TO THE STATE CONTROLLER

9 By letter dated April 23, 2010, the Controller transmitted a copy of its draft audit
10 report. By letter dated May 12, 2010, the District objected to the proposed adjustments
11 set forth in the draft audit report. A copy of District's letter of May 12, 2010, is included
12 in Exhibit "D." The Controller then issued its final audit report without change to the
13 adjustments as stated in the draft audit report.

14 PART VII. STATEMENT OF THE ISSUES

15 **Finding 1 - Understated salaries, benefits, and services and supplies**

16 The District does not dispute this finding. The audit report increases the program
17 amounts claimed by \$506,433 for three types of program costs not included in the
18 claims.

19 Psychological Intern Program Costs

20 The adjustments add the psychological intern costs (salaries, benefits, and
21 supply costs) to FY 2003-04 and FY 2004-05 which were not included in those annual

Incorrect Reduction Claim of State Center Community College District
1/84; 1118/87 Health Fee Elimination #2

1 claims. The District agrees that the costs should have been included in those claims.
2 The District properly included these program costs in the FY 2005-06 and FY 2006-07
3 annual claims.

4 Lottery Funds

5 The adjustment adds costs funded by the State Lottery in a separate program
6 fund for FY 2002-03, FY 2003-04, and FY 2004-05. The District agrees that the costs
7 should have been included in these claims, without offset.

8 North Centers Costs

9 The adjustment adds student health service program costs for the North Centers
10 for FY 2006-07. The District agrees that the costs should have been included in that
11 claim.

12 **Finding 2: Overstated indirect costs**

13 The audit report asserts that the District overstated indirect costs by \$381,532 for
14 the audit period.

15 FY 2002-03 and FY 2003-04

16 The audit report asserts that the FY 2002-03 and FY 2003-04 annual claims were
17 overstated because the District used an indirect cost rate based on the principles of
18 OMB Circular A-21 that was not derived from a cost study approved by the federal
19 government as required by the Controller's claiming instructions. The report states that
20 the Controller's claiming instructions relevant to these fiscal years state that when
21 claiming indirect costs, college districts have the option of using a federally approved

Incorrect Reduction Claim of State Center Community College District
 1/84; 1118/87 Health Fee Elimination #2

rate derived from the Office of Management and Budget Circular A-21 principles, a rate calculated using form FAM-29C, or a 7% indirect cost rate.

| <u>Fiscal Year</u> | Claimed | | Audited | |
|--------------------|-------------|---------------|-------------|-------------------------|
| | <u>Rate</u> | <u>Source</u> | <u>Rate</u> | <u>Source</u> |
| FY 2002-03 | 40.69% | District | 15.08% | FAM 29C-no depreciation |
| FY 2003-04 | 38.78% | District | 16.15% | FAM 29C-no depreciation |

The District's FY 2002-03 and FY 2003-04 annual claims used a federal study method prepared by District staff pursuant to a federal rate proposal, including capital costs. The audit report used the CCFS-311, less capital costs, to calculate the indirect cost rate using its Form FAM-29C method. The Controller's policy was not to include depreciation costs in the calculation for these fiscal years. The audit report has not stated a basis for not including depreciation or capital costs.

FY 2004-05, FY 2005-06 and FY 2006-07

The audit report asserts that the annual claims for FY 2004-05, FY 2005-06, and FY 2006-07 were overstated because the District utilized a federally approved rate contrary to the parameters and guidelines and the claiming instructions which the audit report asserts do not provide claimants the option of using federally approved rates for these fiscal years.

| <u>Fiscal Year</u> | Claimed | | Audited | |
|--------------------|-------------|---------------|-------------|---------------------------|
| | <u>Rate</u> | <u>Source</u> | <u>Rate</u> | <u>Source</u> |
| FY 2004-05 | 36.50% | Federal | 27.28% | FAM 29C-with depreciation |
| FY 2005-06 | 36.50% | Federal | 25.18% | FAM 29C-with depreciation |
| FY 2006-07 | 36.50% | Federal | 26.60% | FAM 29C-with depreciation |

1 The District used a federally approved cost study rate for FY 2004-05, FY 2005-
2 06, and FY 2006-07. The Controller has decided, but has not stated a basis for this
3 decision, to discontinue, retroactively to FY 2004-05, the use of federal rates, approved
4 or not. Instead, the Controller is using the CCFS-311, less capital costs, but with
5 audited district financial statement depreciation costs included, to calculate the indirect
6 cost rate using its Form FAM-29C method. The audit report has not stated a basis for
7 now including depreciation costs when these costs have not been included before.

8 The audit report states that “[u]sing the district’s interpretation of the parameters
9 and guidelines, districts would be allowed to claim indirect costs in whatever manner
10 they choose.” This is nearly correct. No particular indirect cost rate calculation is
11 required by law. The audit report insists that the rate be calculated “in the manner
12 described” in the claiming instructions. The parameters and guidelines state that
13 “[i]ndirect costs *may be claimed* in the manner described by the State Controller in his
14 claiming instructions.” (Emphasis added) The District claimed these indirect costs “in
15 the manner” described by the Controller in that the correct forms were used and the
16 claimed amounts were entered at the correct locations. Further, “may” is not “shall”; the
17 parameters and guidelines do not *require* that indirect costs be claimed in the manner
18 specified by the Controller. The Controller asserts that because the parameters and
19 guidelines specifically reference the claiming instructions, the claiming instructions
20 thereby become authoritative criteria.

21 Since the Controller’s claiming instructions were never adopted as law, or

1 regulations pursuant to the Administrative Procedure Act, the claiming instructions are a
2 statement of the Controller's interpretation and not law. The audit report seems to
3 assert that since "[t]he SCO issued its claiming instructions pursuant to Government
4 Code section 17558" that either it has complied with state requirements for rulemaking,
5 or it need not do so. The Controller's staff interpretation of Section VI of the parameters
6 and guidelines would, in essence, subject claimants to underground rulemaking at their
7 discretion. The Controller's claiming instructions are unilaterally created and modified
8 without public notice or comment. The Commission would violate the Administrative
9 Procedure Act if it held that the Controller's claiming instructions are enforceable as
10 standards or regulations. In fact, until 2005, the Controller regularly included a "forward"
11 in the Mandated Cost Manual for Community Colleges (September 30, 2003 version
12 attached as Exhibit "F") that explicitly stated the claiming instructions are "issued for the
13 sole purpose of assisting claimants" and "should not be construed in any manner to be
14 statutes, regulations, or standards."

15 Neither state law nor the parameters and guidelines make compliance with the
16 Controller's claiming instructions a condition of reimbursement. The District has followed
17 the parameters and guidelines. The burden of proof is on the Controller to prove that the
18 product of the District's calculation is unreasonable, not to recalculate the rate according
19 to its unenforceable ministerial preferences.

20 Finally, the audit report notes that the District did not request a review of the
21 claiming instructions pursuant to Title 2, CCR, Section 1186. The claiming instructions

1 are not properly adopted regulations or standards. There is no requirement that a
2 claimant request such review, even if they are inconsistent with the parameters and
3 guidelines, because the claiming instructions are not enforceable regulations. Thus, the
4 fact that no review was requested is not determinative of the validity or force of the
5 claiming instructions.

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

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

10 The audit report states that "authorized" student health service fee revenues
11 were understated by \$938,052 for the audit period. This adjustment is due to the fact
12 that the District reported the actual student health service fees that it collected rather
13 than "authorized" student health service fees that could have been collected. The
14 audited amounts are a result of the Controller's policy to calculate the student health
15 services fees that could have been collected compared to the District's student health
16 fee revenues actually received. The audit report findings and recommendations
17 regarding enrollment data obtained from the Chancellor's Office, the students to be
18 charged, and the amounts to charge these students are not relevant to the District
19 claimed amounts since the District claimed actual revenues collected that resulted from
20 the District's policy regarding which students are to be charged and how much they are
21 to be charged.

1 "Authorized" Fee Amount

2 The audit report notes that the District did not charge the "full authorized fee
3 amount" for several semesters and did not charge the students attending the off-campus
4 learning centers. The audit report asserts that claimants must compute the total student
5 health service fees collectible based on the highest "authorized" rate. The audit report
6 does not provide the statutory basis for the calculation of the "authorized" rate or the
7 source of the legal right of any state entity to "authorize" student health service fee
8 amounts. There has been no rulemaking or compliance with the Administrative
9 Procedure Act by an "authorizing" state agency. The audit report agrees that the fee
10 amounts "identified" by the State Chancellor's office merely informs, by form letter to the
11 local districts, that the Implicit Price Deflator has increased and that the districts may
12 increase their student health service fee if the district so chooses. An example of one
13 such notice is the letter dated March 5, 2001, attached as Exhibit "E." While Education
14 Code Section 76355 provides for an increase in the student health service fee, it did not
15 grant the Chancellor the authority to establish mandatory fee amounts or mandatory fee
16 increases. No state agency was granted that authority by the Education Code, and no
17 state agency has exercised its rulemaking authority to establish mandatory fees
18 amounts. It should be noted that the Chancellor's letter properly states that increasing
19 the amount of the fee is at the option of the district, and that the Chancellor is not
20 asserting that authority.

21 /

1 Education Code Section 76355

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

10 Parameters and Guidelines

11 The parameters and guidelines state:

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

17 In order for the district to "experience" these "offsetting savings" the district must actually
18 have collected these fees. Student fees actually collected must be used to offset costs,
19 but not student fees that could have been collected and were not. The use of the term
20 "*any offsetting savings*" further illustrates the permissive nature of the fees. The audit
21 report states that "[t]he simple correlation is that if the district charges a fee that in turn

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

1 pays for the health service expenses, then there is no 'cost' to the district." This would
2 be relevant here if the "authority" to collect a fee was a mandate to collect the fee.

3 The audit report's conclusion is based on an illogical interpretation of the
4 parameters and guidelines. The audit report claims that the Commission's intent was for
5 claimed costs to be reduced by fees authorized, rather than fees received as stated in
6 the parameters and guidelines. It is true that the Department of Finance proposed, as
7 part of the amendments that were adopted on May 25, 1989, that a sentence be added
8 to the offsetting savings section expressly stating that if no health service fee was
9 charged, the claimant would be required to deduct the amount authorized. However, the
10 Commission declined to add this requirement and adopted the parameters and
11 guidelines without this language.

12 The fact that the Commission *staff* and the California Community College
13 Chancellors Office *staff* at one time in the spectrum of the process agreed with the
14 Department of Finance's interpretation does not negate the fact that the Commission
15 adopted parameters and guidelines that *did not* include the additional language. It would
16 be nonsensical if the Commission held that every proposal that is discussed was
17 somehow implied into the adopted document, because the proposals of the various
18 parties are often contradictory. Therefore, it is evident that the Commission intends the
19 language of the parameters and guidelines to be construed as written, and only those
20 savings that are *experienced* are to be deducted.

21 /

1 Government Code Section 17514

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

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

12 There is nothing in the language of the statute regarding the authority to charge a fee,
13 any nexus of fee revenue to increased cost, nor any language which describes the legal
14 effect of fees collected. The audit report states that "[i]f the district has authority to
15 collect fees attributable to health service expenses, then is not required to *incur* a cost."
16 This again ignores the fact that Section 76355 makes charging a fee discretionary, and
17 that fees are revenues and not avoided increased costs.

18 Government Code Section 17556

19 The audit report relies upon Government Code Section 17556 for the conclusion
20 that "the Commission on State Mandates shall not find costs mandated by the State if
21 the school district has the authority to levy fees to pay for the mandated program or
22 increased level of service." Government Code Section 17556 as last amended by
23 Chapter 589, Statutes of 1989, actually states:

24 "The commission shall not find costs mandated by the state, as defined in

Incorrect Reduction Claim of State Center Community College District
1/84; 1118/87 Health Fee Elimination #2

1 Section 17514, in any claim submitted by a local agency or school district, if, after
2 a hearing, the commission finds: . . .

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

6 The audit report continues to rely upon an incorrect interpretation of Education
7 Code Section 17556(d), while neglecting its context and omitting a crucial clause.

8 Section 17556(d) does specify that the Commission on State Mandates shall not find
9 costs mandated by the state if the local agency has the authority to levy fees, but only if
10 those fees are “*sufficient to pay for the mandated program*” (emphasis added). Section
11 17556 pertains specifically to the Commission’s determination on a test claim, and does
12 not concern the subsequent development of parameters and guidelines or the claiming
13 process. The Commission has already found state-mandated costs for this program, and
14 the Controller cannot substitute its judgment for that of the Commission through the
15 audit process.

16 The two court cases the audit report relies upon (*County of Fresno v. California*
17 (1991) 53 Cal.3d 482 and *Connell v. Santa Margarita* (1997) 59 Cal.App.4th 382) are
18 similarly misplaced. Both cases concern the approval of a test claim by the Commission.
19 They do not address the issue of offsetting revenue in the reimbursement stages, only
20 whether there is fee authority *sufficient to fully fund* the mandate that would prevent the
21 Commission from approving the test claim.

22 In *County of Fresno*, the Commission had specifically found that the fee authority
23 was sufficient to fully fund the test claim activities and denied the test claim. The court

1 simply agreed to uphold this determination because Government Code Section 17556(d)
2 was consistent with the California Constitution. The Health Fee Elimination mandate,
3 decided by the Commission, found that the fee authority is not sufficient to fully fund the
4 mandate. Thus, *County of Fresno* is not applicable because the subject matter concerns
5 the activity of approving or denying a test claim and has no bearing on the annual claim
6 reimbursement process.

7 Similarly, although a test claim had been approved and parameters and
8 guidelines were adopted, the court in *Connell* focused its determination on whether the
9 initial approval of the test claim had been proper. The court did not evaluate the
10 parameters and guidelines or the reimbursement process because it found that the initial
11 approval of the test claim had been in violation of Section 17556(d).

12 Because districts are not required to collect a fee from students for student health
13 services, and if such a fee is collected, the amount is to be determined by the District
14 and not the Controller, the Controller's adjustment is without legal basis. What
15 claimants are required by the parameters and guidelines to do is to reduce the amount
16 of their claimed costs by the amount of student health services fee revenue actually
17 received. Therefore, student health fees are merely collectible, they are not mandatory,
18 and it is inappropriate to reduce claim amounts by revenues not received.

19 **Finding 4: Inaccurate reporting of health services provided**

20 There is no fiscal effect from the Finding. This Finding is based on the assertion
21 that "the district inaccurately reported base-year and current-year services provided."

Incorrect Reduction Claim of State Center Community College District
1/84; 1118/87 Health Fee Elimination #2

1 The audit report asserts that “[d]istricts that do not provide the same services are
2 ineligible to claim mandated costs.” If the Controller policy is that the same services
3 have to be rendered in the current fiscal year, rather than just available to the students,
4 this is an incorrect application of the parameters and guidelines language.

5 The parameters and guidelines are designed to reimburse services “provided” in
6 the current fiscal year that were “provided” in 1986-87, at current fiscal year costs.
7 “New services” are not reimbursable. As a matter of law, Education Code Section
8 76355, subdivision (e) requires that “[a]ny community college district that provided health
9 services in the 1986-87 fiscal year shall maintain health services, at the level provided
10 during the 1986-87 fiscal year, and each fiscal year thereafter.” As a practical matter
11 and as a matter of logic, for each subsequent fiscal year, this requires claimant to
12 actually certify that the base-year services continue to be *available*, although not
13 necessarily *provided*. The District is certifying that the same level of services continue
14 to be *available*, not that each and every service was *rendered* each subsequent year.
15 Thus, the District need not have provided a particular service in either the base year or
16 the audit year, but only that it was available to students at those times. In making the
17 services *available*, the District is fulfilling its obligations in order to be eligible to claim
18 mandated costs.

19 The audit report incorrectly recommends that “the district refrain from claiming
20 any mandated costs if it does not provide [render?] one or more services that it provided
21 during the 1986-87 base year.” Rather, the District has to continue to make the base-

1 year services available, whether they are rendered or not. For example, hearing tests
2 may be available every year, but there may be a year in which no hearing tests were
3 required by students. Of course, if an available service is not provided in the current
4 year, then there would be no cost incurred to be claimed, and the State would not be
5 reimbursing base-year services not rendered in the current fiscal year. The legal
6 standard must be services *available*. The same base-year services were *available* to
7 students in subsequent years but not all of these may have been *provided* because
8 there was no student need.

9 **Finding 5: Insufficient Documentation of Health Services Provided**

10 There is no fiscal effect from this Finding or independent legal issue presented.
11 The issue remains services available and not services rendered.

12 **Limit on Audited Costs**

13 The amount claimed for FY 2004-05 is \$395,163. The audit determined the
14 "allowable amount" to be \$484,756. This amount exceeds the reported amount by
15 \$89,593. The audit report deducts from its findings of total reimbursable costs the
16 \$89,593 as "less allowable costs that exceed cost claimed." The stated basis for this
17 limitation on allowable costs is Government Code Section 17568, cited in footnote 2 on
18 page 6 of the audit report, that states "that the State will not reimburse any claim more
19 than one year after the filing deadline." The State has not reimbursed, that is, made
20 payment on this claim, so that citation does not appear relevant. Section 17568 pertains
21 to the timely filing of an annual claim in order to be eligible for payment, not to the

Incorrect Reduction Claim of State Center Community College District
1/84; 1118/87 Health Fee Elimination #2

1 contents of the claim itself. There is no Government Code Section cited that prohibits
2 the Controller from reimbursement of *audited* costs in excess of claimed costs.

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 calculation of amounts due the claimant or state as a result of the
6 audit. The audit changed the amounts paid for some of the annual claims without a
7 finding in the audit report.

| 8 9 <u>Annual Claim Fiscal Year</u> | Amounts Paid by the State | | |
|--|---------------------------|-------------------|-------------------|
| | <u>As Claimed</u> | <u>As Audited</u> | <u>Difference</u> |
| 10 2002-03 | \$ 0 | \$615,935 | \$615,935 |
| 11 2003-04 | \$ 0 | \$ 0 | \$ 0 |
| 12 2004-05 | \$ 0 | \$ 0 | \$ 0 |
| 13 2005-06 | \$ 0 | \$ 0 | \$ 0 |
| 14 2006-07 | \$231,815 | \$191,257 | <\$ 40,558> |

15 The audit report states on page four that the District received \$615,935 in
16 payment on the FY 2002-03 claim. This amount was not included on the claim form
17 FAM-27 and the District has no contemporaneous Controller's remittance advice
18 confirming the payment. The audit report states on page six that the District received
19 \$191,257 in payment on the FY 2006-07 claim. The District reported \$231,815 on the
20 FAM-27 as the amount received pursuant to a remittance advice dated March 12, 2007.
21 The audit report does not include any explanation or documentation of the differences in
22 these amounts. Since the amount paid reduces the remaining state liability for the
23 claim, any difference constitutes an adjustment that should be supported by audit

1 findings. The propriety of these adjustments cannot be determined until the Controller
2 states the reason for the changes.

3 **Statute of Limitations for Audit**

4 This issue is not a finding of the audit report. The District asserts that the first
5 three years of the five claim years audited, fiscal years 2002-03, 2003-04 and 2004-05,
6 were beyond the statute of limitations for an audit when the Controller issued its audit
7 report on June 11, 2010. The District raised this issue at the beginning of the audit and
8 in its letter dated May 12, 2010, in response to the draft audit report.

9 Chronology of Claim Action Dates

| | | |
|----|-------------------|---|
| 10 | January 9, 2004 | FY 2002-03 claim filed by the District |
| 11 | December 13, 2004 | FY 2003-04 claim filed by the District |
| 12 | December 5, 2005 | FY 2004-05 claim filed by the District |
| 13 | January 9, 2007 | FY 2002-03 statute of limitations for audit expires |
| 14 | December 13, 2007 | FY 2003-04 statute of limitations for audit expires |
| 15 | December 5, 2008 | FY 2004-05 statute of limitations for audit expires |
| 16 | June 9, 2009 | Audit entrance conference for all fiscal years |

17 The District's fiscal year 2002-03 claim was mailed to the Controller on January 9,
18 2004. The District's fiscal year 2003-04 claim was mailed to the Controller on December
19 13, 2004. The District's fiscal year 2004-05 claim was mailed to the Controller on
20 December 5, 2005. The final audit report asserts that initiation of the audit was proper
21 because the initial payment for the FY 2002-03 claim did not occur until October 25,

Incorrect Reduction Claim of State Center Community College District
1/84; 1118/87 Health Fee Elimination #2

1 2009, and there has been no payment for the FY 2003-04 and FY 2004-05 claims. Since
2 there were state appropriations, although minimal and not specifically or
3 contemporaneously paid to this District, for those three fiscal years, the statute of
4 limitations to initiate the audit of those three fiscal years expired three years after the
5 date of annual claim filing. The audit was initiated with the entrance conference
6 conducted on June 9, 2009, which is more than three years after the annual claims were
7 filed. Regardless, the clause in Government Code Section 17558.5 that delays the
8 commencement of the time for the Controller to audit to the date of initial payment is
9 void because it is impermissibly vague.

10 Statutory History

11 Prior to January 1, 1994, no statute specifically governed the statute of limitations
12 for audits of mandate reimbursement claims. Statutes of 1993, Chapter 906, Section 2,
13 operative January 1, 1994, added Government Code Section 17558.5 to establish for
14 the first time a specific statute of limitations for audit of mandate reimbursement claims:

15 “(a) A reimbursement claim for actual costs filed by a local agency or school
16 district pursuant to this chapter is subject to audit by the Controller no later than
17 four years after the end of the calendar year in which the reimbursement claim is
18 filed or last amended. However, if no funds are appropriated for the program for
19 the fiscal year for which the claim is made, the time for the Controller to initiate an
20 audit shall commence to run from the date of initial payment of the claim.”

21 Thus, there are two standards. A funded claim is “subject to audit” for four years after
22 the end of the calendar year in which the claim was filed. An unfunded claim must have
23 its audit initiated within four years of first payment.

24 Statutes of 1995, Chapter 945, Section 13, operative July 1, 1996, repealed and

Incorrect Reduction Claim of State Center Community College District
1/84; 1118/87 Health Fee Elimination #2

1 replaced Section 17558.5, changing only the length of the period of limitations:

2 “(a) A reimbursement claim for actual costs filed by a local agency or school
3 district pursuant to this chapter is subject to audit by the Controller no later than
4 two years after the end of the calendar year in which the reimbursement claim is
5 filed or last amended. However, if no funds are appropriated for the program for
6 the fiscal year for which the claim is made, the time for the Controller to initiate an
7 audit shall commence to run from the date of initial payment of the claim.”

8 Statutes of 2002, Chapter 1128, Section 14.5, operative January 1, 2003

9 amended Section 17558.5 to state:

10 “(a) A reimbursement claim for actual costs filed by a local agency or school
11 district pursuant to this chapter is subject to the initiation of an audit by the
12 Controller no later than three years after the ~~end of the calendar year in which the~~
13 date that the actual reimbursement claim is filed or last amended, whichever is
14 later. However, if no funds are appropriated or no payment is made to a claimant
15 for the program for the fiscal year for which the claim is ~~made~~ filed, the time for
16 the Controller to initiate an audit shall commence to run from the date of initial
17 payment of the claim.”

18 The annual reimbursement claims for FY 2002-03 and FY 2003-04 are subject to
19 this version of Section 17558.5. The amendment is pertinent because this is the first
20 time that the factual issue of the date the audit is “initiated” is introduced for mandate
21 programs for which funds are appropriated.

22 Statutes of 2004, Chapter 890, Section 18, operative January 1, 2005 amended
23 Section 17558.5 to state:

24 “(a) A reimbursement claim for actual costs filed by a local agency or school
25 district pursuant to this chapter is subject to the initiation of an audit by the
26 Controller no later than three years after the date that the actual reimbursement
27 claim is filed or last amended, whichever is later. However, if no funds are
28 appropriated or no payment is made to a claimant for the program for the fiscal
29 year for which the claim is filed, the time for the Controller to initiate an audit shall
30 commence to run from the date of initial payment of the claim. In any case, an
31 audit shall be completed not later than two years after the date that the audit is

1 commenced.”

2 The annual reimbursement claim for FY 2004-05 is subject to this version of Section
3 17558.5, which retains the same limitations period as the prior version, but also adds the
4 requirement that an audit must be completed within two years of its commencement.

5 Section 17558.5 provides that the time limitation for audit “shall commence to run
6 from the date of initial payment” if no payment is made. However, this provision is void
7 because it is impermissibly vague. At the time a claim is filed, the claimant has no way of
8 knowing when payment will be made or how long the records applicable to that claim
9 must be maintained. The current two billion-dollar backlog in mandate payments, which
10 continues to grow every year, could potentially require claimants to maintain detailed
11 supporting documentation for decades. Additionally, it is possible for the Controller to
12 unilaterally extend the audit period by withholding payment as long as the three-year life
13 of each appropriation.

14 Therefore, the only specific and enforceable time limitation to commence an audit
15 is three years from the date the claim was filed, and the annual reimbursement claims
16 for FY 2002-03, FY 2003-04 and FY 2004-05 were past this time period when the audit
17 was commenced on June 9, 2009. All adjustments to these three fiscal years are void
18 and should be withdrawn.

19 /

20 /

21 /

1 PART VIII. RELIEF REQUESTED

2 The District filed its annual reimbursement claims within the time limits prescribed
3 by the Government Code. The amounts claimed by the District for reimbursement of the
4 costs of implementing the program imposed by Chapter 1, Statutes of 1984, 2nd E. S.,
5 Chapter 1118, Statutes of 1987, and Education Code Section 76355 represent the
6 actual costs incurred by the District to carry out this program. These costs were
7 properly claimed pursuant to the Commission's parameters and guidelines.

8 Reimbursement of these costs is required under Article XIII B, Section 6 of the California
9 Constitution. The Controller denied reimbursement without any basis in law or fact. The
10 District has met its burden of going forward on this claim by complying with the
11 requirements of Section 1185, Title 2, California Code of Regulations. Because the
12 Controller has enforced and is seeking to enforce these adjustments without benefit of
13 statute or regulation, the burden of proof is now upon the Controller to establish a legal
14 basis for its actions.

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

19 /

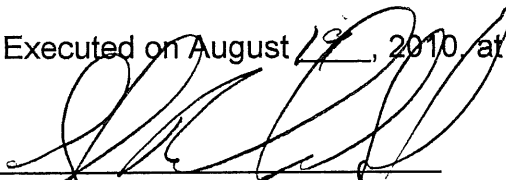
20 /

21 /

PART IX. CERTIFICATION

By my signature below, 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, and that the attached documents are true and correct copies of documents received from or sent by the state agency which originated the document.

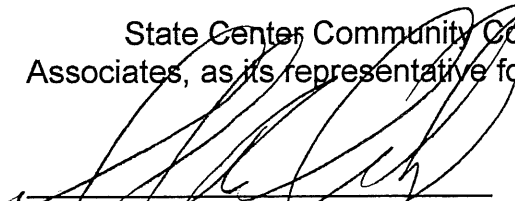
Executed on August 19, 2010, at Fresno, California, by



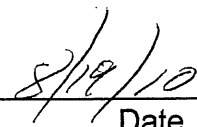
Douglas Brinkley, Vice-Chancellor
Finance and Administration
State Center Community College District
1525 East Weldon Ave.
Fresno, CA 93704
Voice: 559-244-5910
Fax: 559-243-1949
E-Mail: doug.brinkley@scccd.edu

APPOINTMENT OF REPRESENTATIVE

State Center Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this incorrect reduction claim.



Douglas Brinkley, Vice-Chancellor
Finance and Administration
State Center Community College District



Date

Attachments:

- Exhibit "A" Controller's "results of review" letters dated June 24, 2010 and "results of audit" letters dated July 14, 2010
- Exhibit "B" Parameters and guidelines as amended May 25, 1989
- Exhibit "C" Controllers claiming instructions, September 2003
- Exhibit "D" Controller's audit report, and the District's response, dated June 11, 2010
- Exhibit "E" Chancellor's letter of March 5, 2001
- Exhibit "F" Controller's Mandated Cost Manual Community Colleges Forward September 2003 version
- Exhibit "G" Annual Reimbursement Claims

JUN-29-2010 TUE 01:45 PM SOCCD BUSINESS OFFICE

FAX NO. 5592211524

P. 02



JOHN CHIANG
California State Controller
Division of Accounting and Reporting
JUNE 24, 2010

CC10225
00234
2010/06/24

BOARD OF TRUSTEES
STATE CENTER COMM COLL DIST
FRESNO COUNTY
1525 E WELDON
FRESNO CA 93704

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 | | 615,935.00 |
| TOTAL ADJUSTMENTS (DETAILS BELOW) | - | 237,764.00 |
| TOTAL PRIOR PAYMENTS (DETAILS BELOW) | | -615,935.00 |
| AMOUNT DUE STATE | \$ | <u>237,764.00</u> |

PLEASE REMIT A WARRANT IN THE AMOUNT OF \$ 237,764.00 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 | - | 237,764.00 | |
| TOTAL ADJUSTMENTS | | | - 237,764.00 |
| PRIOR PAYMENTS: | | | |
| SCHEDULE NO. MA64136A | | | |
| PAID 10-25-2006 | | -615,935.00 | |
| TOTAL PRIOR PAYMENTS | | | -615,935.00 |

SINCERELY,

Ginny Brummels
GINNY BRUMMELS, MANAGER



JOHN CHIANG
California State Controller
Division of Accounting and Reporting
JUNE 24, 2010

CC10225
00234
2010/06/24

BOARD OF TRUSTEES
STATE CENTER COMM COLL DIST
FRESNO COUNTY
1525 E WELDON
FRESNO CA 93704

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 369,327.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 100,782.00

TOTAL ADJUSTMENTS - 100,782.00

AMOUNT DUE CLAIMANT \$ 268,545.00

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. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

SINCERELY,

Ginny Brummels
GINNY BRUMMELS, MANAGER

JUN-29-2010 TUE 01:46 PM SCCCD BUSINESS OFFICE

FAX NO. 5592211524

P. 04



JOHN CHIANG
California State Controller
Division of Accounting and Reporting
JUNE 24, 2010

CC10225
00234
2010/06/24

BOARD OF TRUSTEES
STATE CENTER COMM COLL DIST
FRESNO COUNTY
1525 E WELDON
FRESNO CA 93704

DEAR CLAIMANT:

RE: HEALTH FEE ELIMINATION (CC)

WE HAVE REVIEWED YOUR 2006/2007 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

| | | |
|--------------------------------------|----|-------------|
| AMOUNT CLAIMED | | 191,257.00 |
| TOTAL ADJUSTMENTS (DETAILS BELOW) | - | 50,480.00 |
| TOTAL PRIOR PAYMENTS (DETAILS BELOW) | | -231,815.00 |
| AMOUNT DUE STATE | \$ | 91,038.00 |

PLEASE REMIT A WARRANT IN THE AMOUNT OF \$ 91,038.00 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: | | | |
| PRIOR COLLECTIONS | | 40,558.00 | |
| FIELD AUDIT FINDINGS | - | 91,038.00 | |
| TOTAL ADJUSTMENTS | | | 50,480.00 |
| PRIOR PAYMENTS: | | | |
| SCHEDULE NO. MA64147E | | | |
| PAID 03-12-2007 | | -231,815.00 | |
| TOTAL PRIOR PAYMENTS | | | -231,815.00 |

SINCERELY,

Ginny Brummels
GINNY BRUMMELS, MANAGER



JOHN CHIANG
California State Controller

July 14, 2010

Mr. Patrick E. Patterson, President
Board of Trustees
State Center Community College District
1525 East Weldon Avenue
Fresno, CA 93704

Re: Health Fee Elimination, Ch. 1/1984, 2nd Extraordinary
Session, and Ch. 1118/1987, Program 234, FY 2002-03

Dear Mr. Patterson:

Please be advised that the reimbursement claim filed for the above state mandated program was adjusted per our Division of Audits' letter dated June 11, 2010, as follows:

| | |
|--|------------------------------|
| CLAIMED AMOUNT | \$615,935.00 |
| LESS CLAIM ADJUSTMENTS | |
| Field Audit | (237,764.00) |
| Prior Payments (Ref.: MA64136A dated 10/25/06) ... | <u>(615,935.00)</u> |
| TOTAL AMOUNT DUE TO STATE | <u><u>\$(237,764.00)</u></u> |

The amount of \$237,764.00 is due and payable to the State Controller's Office. Payment may be mailed with a copy of this letter to:

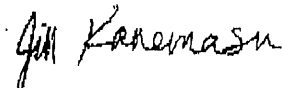
Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If payment is not received within thirty (30) days of receipt of this letter, the State Controller's Office will offset the amount of \$237,764.00 from future payments of any reimbursable state mandated programs.

Mr. Patrick E. Patterson
July 14, 2010
Page 2

Should you have any questions regarding the above, please contact Gwendolyn Carlos at (916) 324-2341, or e-mail GCarlos@sco.ca.gov.

Sincerely,



JILL KANEMASU, Chief
Bureau of Payments
Division of Accounting and Reporting

JL:ALT:glc



JOHN CHIANG
California State Controller

July 14, 2010

Mr. Patrick E. Patterson, President
Board of Trustees
State Center Community College District
1525 East Weldon Avenue
Fresno, CA 93704

Re: Health Fee Elimination, Ch. 1/1984, 2nd Extraordinary
Session, and Ch. 1118/1987, Program 234, FY 2003-04

Dear Mr. Patterson:

Please be advised that the reimbursement claim filed for the above state mandated program was adjusted per our Division of Audits' letter dated June 11, 2010, as follows:

| | |
|----------------------------------|---------------------|
| CLAIMED AMOUNT | \$369,327.00 |
| LESS CLAIM ADJUSTMENT | |
| Field Audit | <u>(100,782.00)</u> |
| NET AMOUNT DUE TO CLAIMANT | <u>\$268,545.00</u> |

Pursuant to Government Code § 17561 (d), we will pay the amount due of \$268,545.00 by October 15 or 60 days after the date the appropriation for the claim is effective, whichever is later.

Should you have any questions regarding the above, please contact Gwendolyn Carlos at (916) 324-2341, or e-mail GCarlos@sco.ca.gov.

Sincerely,

JILL KANEMASU, Chief
Bureau of Payments
Division of Accounting and Reporting

JL:ALT:glc



JOHN CHIANG
California State Controller

July 14, 2010

Mr. Patrick E. Patterson, President
Board of Trustees
State Center Community College District
1525 East Weldon Avenue
Fresno, CA 93704

Re: Health Fee Elimination, Ch. 1/1984, 2nd Extraordinary
Session, and Ch. 1118/1987, Program 234, FY 2005-06

Dear Mr. Patterson:

Please be advised that the reimbursement claim filed for the above state mandated program was adjusted per our Division of Audits' letter dated June 11, 2010, as follows:

| | |
|----------------------------------|---------------------|
| CLAIMED AMOUNT | \$686,789.00 |
| LESS CLAIM ADJUSTMENT | |
| Field Audit | (473,160.00) |
| NET AMOUNT DUE TO CLAIMANT | <u>\$213,629.00</u> |

Pursuant to Government Code § 17561 (d), we will pay the amount due of \$213,629.00 by October 15 or 60 days after the date the appropriation for the claim is effective, whichever is later.

Should you have any questions regarding the above, please contact Gwendolyn Carlos at (916) 324-2341, or e-mail GCarlos@sco.ca.gov.

Sincerely,

JILL KANEMASU, Chief
Bureau of Payments
Division of Accounting and Reporting

JL:ALT:glc



JOHN CHIANG
California State Controller

July 14, 2010

Mr. Patrick E. Patterson, President
Board of Trustees
State Center Community College District
1525 East Weldon Avenue
Fresno, CA 93704

Re: Health Fee Elimination, Ch. 1/1984, 2nd Extraordinary Session, and Ch. 1118/1987, Program 234, FY 2006-07

Dear Mr. Patterson:

Please be advised that the reimbursement claim filed for the above state mandated program was adjusted per our Division of Audits' letter dated June 11, 2010, as follows:

| | |
|--|-----------------------|
| CLAIMED AMOUNT | \$191,257.00 |
| CLAIM ADJUSTMENTS | |
| Field Audit | (91,038.00) |
| Prior Collections | 40,558.00 |
| Prior Payments (Ref.: MA64147E dated 03/12/07) ... | <u>(231,815.00)</u> |
| TOTAL AMOUNT DUE TO STATE | <u>\$ (91,038.00)</u> |

The amount of \$91,038.00 is due and payable to the State Controller's Office. Payment may be mailed with a copy of this letter to:

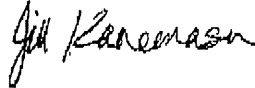
Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If payment is not received within thirty (30) days of receipt of this letter, the State Controller's Office will offset the amount of \$91,038.00 from future payments of any reimbursable state mandated programs.

Mr. Patrick E. Patterson
July 14, 2010
Page 2

Should you have any questions regarding the above, please contact Gwendolyn Carlos at (916) 324-2341, or e-mail GCarlos@sco.ca.gov.

Sincerely,



JILL KANEMASU, Chief
Bureau of Payments
Division of Accounting and Reporting

JL:ALT:glc

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 81 COUNSELING

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

EXAMINATIONS (Minor Illnesses)

Recheck Minor Injury

HEALTH TALKS OR FAIRS - INFORMATION

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

FIRST AID (Major Emergencies)

FIRST AID (Minor Emergencies)

FIRST AID KITS (Filled)

IMMUNIZATIONS

Diphtheria/Tetanus
Measles/Rubella
Influenza
Information

INSURANCE

On Campus Accident
Voluntary
Insurance Inquiry/Claim Administration

LABORATORY TESTS DONE

Inquiry/Interpretation
Pap Smears

PHYSICALS

Employees
Students
Athletes

MEDICATIONS (dispensed OTC for misc. illnesses)

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

PARKING CARDS/ELEVATOR KEYS

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

REFERRALS TO OUTSIDE AGENCIES

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

TESTS

Blood Pressure
Hearing
Tuberculosis
Reading
Information
Vision
Glucometer
Urinalysis

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

MISCELLANEOUS

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

COMMITTEES

Safety
Environmental
Disaster Planning

SAFETY DATA SHEETS

Central file

X-RAY SERVICES

COMMUNICABLE DISEASE CONTROL

BODY FAT MEASUREMENTS

MINOR SURGERIES

SELF-ESTEEM GROUPS

MENTAL HEALTH CRISIS

AA GROUP

ADULT CHILDREN OF ALCOHOLICS GROUP

WORKSHOPS

Test Anxiety
Stress Management
Communication Skills
Weight Loss
Assertiveness Skills

VI. CLAIM PREPARATION

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

A. Description of Activity

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

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

Claimed costs should be supported by the following information:

1. Employee Salaries and Benefits

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

2. Services and Supplies

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

3. Allowable Overhead Cost

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

VII. SUPPORTING DATA

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

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

VIII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

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

IX. REQUIRED CERTIFICATION

The following certification must accompany the claim:

I DO HEREBY CERTIFY under penalty of perjury:

THAT the foregoing is true and correct:

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

and

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

Signature of Authorized Representative

Date

Title

Telephone No.

HEALTH FEE ELIMINATION

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

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

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

2. Eligible Claimants

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

3. Appropriations

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

4. Types of Claims

A. Reimbursement and Estimated Claims

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

B. Minimum Claim

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

5. Filing Deadline

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

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

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

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

6. Reimbursable Components

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

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

\$10.00 per semester

\$5.00 for summer school

\$5.00 for each quarter

Beginning with the summer of 1997, the fees are:

\$11.00 per semester

\$8.00 for summer school or

\$8.00 for each quarter

The district may increase fees by the same percentage increase as the Implicit Price Deflator (IPD) for the state and local government purchase of goods and services. Whenever the IPD calculates an increase of one dollar (\$1) above the existing amount, the fees may be increased by one dollar (\$1).

7. Reimbursement Limitations

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

8. Claiming Forms and Instructions

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

A. Form HFE-2, Health Services

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

B. Form HFE-1.1, Claim Summary

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

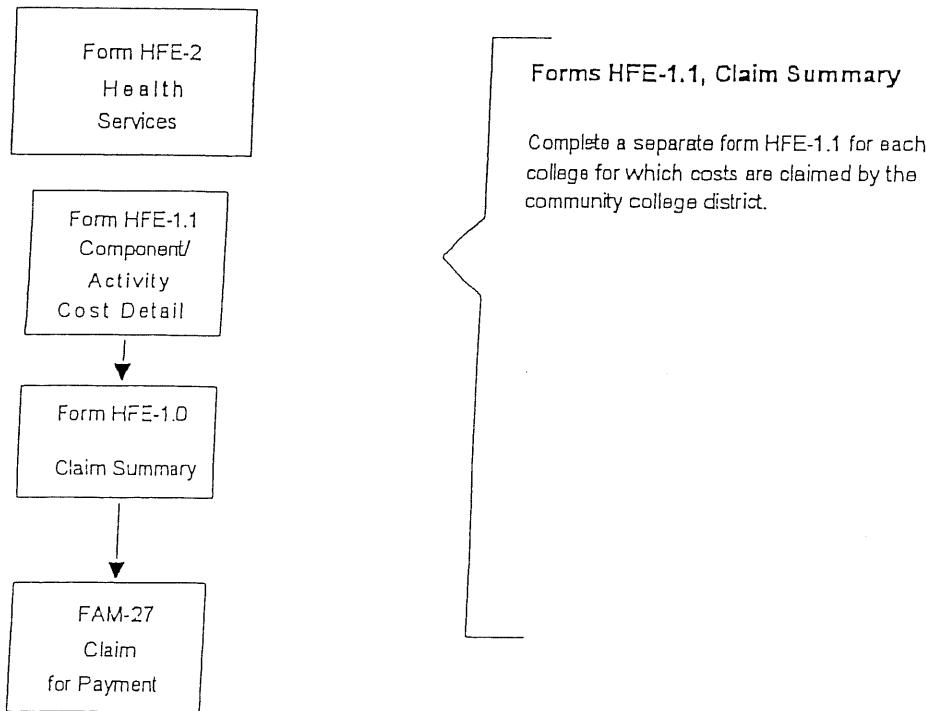
C. Form HFE-1.0, Claim Summary

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

D. Form FAM-27, Claim for Payment

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

Illustration of Claim Forms



| | | | |
|--|-------------------------------|---|-----|
| CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 HEALTH FEE ELIMINATION | For State Controller Use Only | Program Number Date Filed LRS Input | 234 |
|--|-------------------------------|---|-----|

| | | | | |
|---|---|---|--------------------------|--|
| LABEL HERE | (01) Claimant Identification Number | | Reimbursement Claim Data | |
| | (02) Claimant Name | | (22) HFE-1.0, (04)(b) | |
| | (03) County of Location | | (23) | |
| | (04) Street Address or P.O. Box | | (24) | |
| | (05) City | | (25) | |
| (06) State | | (26) Zip Code | | |
| Type of Claim | Estimated Claim | Reimbursement Claim | | |
| | (03) Estimated <input type="checkbox"/> | (09) Reimbursement <input type="checkbox"/> | (27) | |
| | (04) Combined <input type="checkbox"/> | (10) Combined <input type="checkbox"/> | (28) | |
| | (05) Amended <input type="checkbox"/> | (11) Amended <input type="checkbox"/> | (29) | |
| Fiscal Year of Cost | (06) 20__/20__ | (12) 20__/20__ | (30) | |
| Total Claimed Amount | (07) | (13) | (31) | |
| Less: 10% Late Penalty, not to exceed \$1,000 | | (14) | (32) | |
| Less: Prior Claim Payment Received | | (15) | (33) | |
| Net Claimed Amount | | (16) | (34) | |
| Due from State | (08) | (17) | (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 1098, 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 | Date |
| | |
| | |

| | | |
|---------------------------------------|------------------------|------|
| (38) Name of Contact Person for Claim | Telephone Number () - | Ext. |
| | | |
| E-Mail Address | | |

| | | |
|-----------------------|---|----------------|
| Program 234 | HEALTH FEE ELIMINATION Certification Claim Form Instructions | FORM FAM-27 |
|-----------------------|---|----------------|

- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) If filing an estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) Leave blank.
- (05) If filing an amended estimated claim, enter an "X" in the box on line (05) Amended.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of the estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form HFE-1.1 and enter the amount from line (13).
- (08) Enter the same amount as shown on line (07).
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) Leave blank.
- (11) If filing an amended reimbursement claim, 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 the reimbursement claim from form HFE-1.1, line (13). The total claimed amount must exceed \$1,000.
- (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 zero if the claim was timely filed, otherwise, enter the product of multiplying line (13) by the factor 0.10 (10% penalty), or \$1,000, whichever is less.
- (15) If filing an actual reimbursement claim and an estimated 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 on 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, block (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 an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)
- (38) Enter the name, telephone number, and e-mail address of the person whom this office should contact if additional information is required.

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents. (To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.) Use the following mailing addresses:

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

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

Address, if delivered by other delivery service:

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

MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY

FORM
HFE-1.0

| | | |
|---------------|--|--------------------------|
| (01) Claimant | (02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 19__/19__ |
|---------------|--|--------------------------|

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

| (a) Name of College | (b) Claimed Amount |
|-------------------------|---|
| 1. | |
| 2. | |
| 3. | |
| 4. | |
| 5. | |
| 6. | |
| 7. | |
| 8. | |
| 9. | |
| 10. | |
| 11. | |
| 12. | |
| 13. | |
| 14. | |
| 15. | |
| 16. | |
| 17. | |
| 18. | |
| 19. | |
| 20. | |
| 21. | |
| 1) Total Amount Claimed | [Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)] |

| | |
|---|-----------------|
| HEALTH FEE ELIMINATION CLAIM SUMMARY Instructions | FORM HFE-1.0 |
|---|-----------------|

(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).

| | | |
|--|--|-----------------|
| Program <b style="font-size: 24pt;">234 | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.1 |
|--|--|-----------------|

| | | |
|---------------|--|--------------------------|
| (01) Claimant | (02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 20__/20__ |
|---------------|--|--------------------------|

(03) Name of College

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

LESS SAME MORE

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

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

| Collection Period | (a) Number of Students Enrolled | (b) Students Exempt per EC 76355(c)(1) | (c) Students Exempt per EC 76355(c)(2) | (d) Students Exempt per EC 76355(c)(3) | (e) Number of Students Subject to Health Fee (a)-(b)-(c)-(d) | (f) Unit Cost Per Student Per EC 76355 | (g) Student Health Fees (e) x (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))

(10) Subtotal [Line (07) - line (09)]

Cost Reduction

(11) Less: Offsetting Savings

(12) Less: Other Reimbursements

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

| | | |
|-----------------------|---|-----------------|
| Program 234 | HEALTH FEE ELIMINATION CLAIM SUMMARY Instructions | FORM HFE-1.1 |
|-----------------------|---|-----------------|

- (01) Enter the name of the claimant. Only a community college district may file a claim with the State Controller's Office (SCO) 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. Do not complete form HFE-1.1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. 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%, 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 claim.
- (04) Compare the level of 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 expenditure report authorized by Education Code §76355 and included in the Community College Annual Financial and Budget Report CCFS-311, EDP Code 6440, column 5. If the amount of direct costs claimed is different than that shown on the expenditure 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 from the Office of Management and Budget Circular A-21, form FAM-29C, or a 7% indirect cost rate.
- (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 services that are 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 number of students enrolled, the number of students exempt per EC Section 76355(c)(1), (2), and (3), and the amount of health service fees that could have been collected. After 05/01/01, the student fees for health supervision and services are \$12.00 per semester, \$9.00 for summer school, and \$9 for each quarter.
- (09) Enter the sum of student health fees that could have been collected, other than exempt students.
- (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 detailed schedule of savings with the claim.
- (12) Enter the total of other reimbursements received from any source, (i.e., federal, other state programs, etc..) Submit a detailed schedule of reimbursements with the claim.
- (13) Subtract the sum of Offsetting Savings, line (11), and Other Reimbursements, line (12), from Total 1986-87 Health Service Cost excluding Student Health Fees.

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

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

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

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OFFICE OF
STATE CENTER COMMUNITY
COLLEGE DISTRICT

STATE CENTER COMMUNITY COLLEGE DISTRICT

Audit Report

HEALTH FEE ELIMINATION PROGRAM

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

July 1, 2002, through June 30, 2007



JOHN CHIANG
California State Controller

June 2010



JOHN CHIANG
California State Controller

June 11, 2010

Patrick E. Patterson, President
Board of Trustees
State Center Community College District
1525 East Weldon Avenue
Fresno, CA 93704

Dear Mr. Patterson:


The State Controller's Office audited the costs claimed by State Center Community College District for the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session, and Chapter 1118, Statutes of 1987) for the period of July 1, 2002, through June 30, 2007.

The district claimed \$2,258,471 (\$2,268,471 less a \$10,000 penalty for filing a late claim) for the mandated program. Our audit disclosed that \$1,355,727 is allowable and \$902,744 is unallowable. The costs are unallowable because the district understated salaries, benefits, and services and supplies; overstated indirect costs; and understated authorized health service fees. The State paid the district \$807,192. Allowable costs claimed exceed the amount paid by \$548,535.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). 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 the CSM's Web site at www.csm.ca.gov/docs/IRCFORM.pdf.

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

Sincerely,



JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/sk

cc: Deborah G. Blue, Ph.D., Chancellor
State Center Community College District
Edwin Eng, Director of Finance
State Center Community College District
Douglas R. Brinkley, Vice Chancellor, Finance and Administration
State Center Community College District
Christine Atalig, Auditor
Fiscal Services Unit
California Community Colleges Chancellor's Office
Thomas Todd, Principal Program Budget Analyst
Education Systems Unit
Department of Finance

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Audit Report

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by State Center Community College District for the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session, and Chapter 1118, Statutes of 1987) for the period of July 1, 2002, through June 30, 2007.

The district claimed \$2,258,471 (\$2,268,471 less a \$10,000 penalty for filing a late claim) for the mandated program. Our audit disclosed that \$1,355,727 is allowable and \$902,744 is unallowable. The costs are unallowable because the district understated salaries, benefits, and services and supplies; overstated indirect costs; and understated authorized health service fees. The State paid the district \$807,192. Allowable costs claimed exceed the amount paid by \$548,535.

Background

Chapter 1, Statutes of 1984, 2nd Extraordinary Session (E.S.) repealed Education Code section 72246 which authorized community college districts to charge a health fee for providing health supervision and services, providing medical and hospitalization services, and operating 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 for FY 1987-88 and for each fiscal year thereafter.

On November 20, 1986, the Commission on State Mandates (CSM) determined that Chapter 1, Statutes of 1984, 2nd Extraordinary Session 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 for FY 1984-85 and for 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, the CSM 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 for each fiscal year thereafter.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. CSM adopted parameters and guidelines on August 27, 1987, and amended them on May 25, 1989. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist school districts in claiming mandated program 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, 2002, through June 30, 2007.

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 this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. Except for the following issue, we conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We were unable to assess fraud risk because the district did not respond to our inquiries regarding fraud assessment. As a result, we increased our substantive testing; however, this would not necessarily identify fraud or abuse that may have occurred.

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 generally accepted 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 I) and in the Findings and Recommendations section of this report.

For the audit period, State Center Community College District claimed \$2,258,471 (\$2,268,471 less a \$10,000 penalty for filing a late claim) for costs of the Health Fee Elimination Program. Our audit disclosed that \$1,355,727 is allowable and \$902,744 is unallowable.

For the fiscal year (FY) 2002-03 claim, the State paid the district \$615,935. Our audit disclosed that \$378,171 is allowable. The State will offset \$237,764 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 2003-04 through FY 2005-06 claims, the State made no payment to the district. Our audit disclosed that \$877,337 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2006-07 claim, the State paid the district \$191,257. Our audit disclosed that \$100,219 is allowable. The State will offset \$91,038 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

**Views of
Responsible
Official**

We issued a draft audit report on April 23, 2010. Douglas R. Brinkley, Vice-Chancellor, responded by letter dated May 12, 2010 (Attachment), agreeing with Finding 1 and disagreeing with Findings 2 through 5. This final audit report includes the district's response.

Restricted Use

This report is solely for the information and use of State Center 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.



JEFFREY V. BROWNFIELD
Chief, Division of Audits

June 11, 2010

**Schedule 1—
Summary of Program Costs
July 1, 2002, through June 30, 2007**

| Cost Elements | Actual Costs Claimed | Allowable per Audit | Audit Adjustment | Reference ¹ |
|--|-------------------------|------------------------|---------------------|------------------------|
| <u>July 1, 2002, through June 30, 2003</u> | | | | |
| Direct costs: | | | | |
| Salaries | \$ 504,055 | \$ 504,055 | \$ — | |
| Benefits | 103,765 | 103,765 | — | |
| Services and supplies | 97,869 | 105,906 | 8,037 | Finding 1 |
| Total direct costs | 705,689 | 713,726 | 8,037 | |
| Indirect costs | 287,146 | 107,630 | (179,516) | Finding 2 |
| Total direct and indirect costs | 992,835 | 821,356 | (171,479) | |
| Less authorized health service fees | (368,100) | (434,385) | (66,285) | Finding 3 |
| Less offsetting savings/reimbursements | (8,800) | (8,800) | — | |
| Total program costs | <u>\$ 615,935</u> | 378,171 | <u>\$ (237,764)</u> | |
| Less amount paid by the State | | (615,935) | | |
| Allowable costs claimed in excess of (less than) amount paid | | <u>\$ (237,764)</u> | | |
| <u>July 1, 2003, through June 30, 2004</u> | | | | |
| Direct costs: | | | | |
| Salaries | \$ 334,958 | \$ 424,961 | \$ 90,003 | Finding 1 |
| Benefits | 82,966 | 97,236 | 14,270 | Finding 1 |
| Services and supplies | 56,086 | 86,107 | 30,021 | Finding 1 |
| Total direct costs | 474,010 | 608,304 | 134,294 | |
| Indirect costs | 183,820 | 98,241 | (85,579) | Finding 2 |
| Total direct and indirect costs | 657,830 | 706,545 | 48,715 | |
| Less authorized health service fees | (279,653) | (429,150) | (149,497) | Finding 3 |
| Less offsetting savings/reimbursements | (8,850) | (8,850) | — | |
| Total program costs | <u>\$ 369,327</u> | 268,545 | <u>\$ (100,782)</u> | |
| Less amount paid by the State | | — | | |
| Allowable costs claimed in excess of (less than) amount paid | | <u>\$ 268,545</u> | | |

Schedule 1 (continued)

| Cost Elements | Actual Costs Claimed | Allowable per Audit | Audit Adjustment | Reference ¹ |
|--|-------------------------|------------------------|---------------------|------------------------|
| <u>July 1, 2004, through June 30, 2005</u> | | | | |
| Direct costs: | | | | |
| Salaries | \$ 347,653 | \$ 522,636 | \$ 174,983 | Finding 1 |
| Benefits | 94,282 | 124,140 | 29,858 | Finding 1 |
| Services and supplies | 94,296 | 99,366 | 5,070 | Finding 1 |
| Total direct costs | 536,231 | 746,142 | 209,911 | |
| Indirect costs | 195,724 | 203,548 | 7,824 | Finding 2 |
| Total direct and indirect costs | 731,955 | 949,690 | 217,735 | |
| Less authorized health service fees | (332,627) | (460,769) | (128,142) | Finding 3 |
| Less offsetting savings/reimbursements | (4,165) | (4,165) | — | |
| Less allowable costs that exceed costs claimed ² | — | (89,593) | (89,593) | |
| Total program costs | \$ 395,163 | 395,163 | \$ — | |
| Less amount paid by the State | | — | | |
| Allowable costs claimed in excess of (less than) amount paid | | \$ 395,163 | | |
| <u>July 1, 2005, through June 30, 2006</u> | | | | |
| Direct costs: | | | | |
| Salaries | \$ 534,260 | \$ 534,260 | \$ — | |
| Benefits | 127,785 | 127,785 | — | |
| Services and supplies | 103,914 | 103,914 | — | |
| Total direct costs | 765,959 | 765,959 | — | |
| Indirect costs | 279,575 | 192,868 | (86,707) | Finding 2 |
| Total direct and indirect costs | 1,045,534 | 958,827 | (86,707) | |
| Less authorized health service fees | (338,695) | (725,148) | (386,453) | Finding 3 |
| Less offsetting savings/reimbursements | (10,050) | (10,050) | — | |
| Less late filing penalty | (10,000) | (10,000) | — | |
| Total program costs | \$ 686,789 | 213,629 | \$ (473,160) | |
| Less amount paid by the State | | — | | |
| Allowable costs claimed in excess of (less than) amount paid | | \$ 213,629 | | |

Schedule 1 (continued)

| Cost Elements | Actual Costs Claimed | Allowable per Audit | Audit Adjustment | Reference ¹ |
|--|-------------------------|------------------------|---------------------|------------------------|
| <u>July 1, 2006, through June 30, 2007</u> | | | | |
| Direct costs: | | | | |
| Salaries | \$ 556,482 | \$ 644,821 | \$ 88,339 | Finding 1 |
| Benefits | 126,554 | 148,315 | 21,761 | Finding 1 |
| Services and supplies | 110,591 | 154,682 | 44,091 | Finding 1 |
| Total direct costs | 793,627 | 947,818 | 154,191 | |
| Indirect costs | 289,674 | 252,120 | (37,554) | Finding 2 |
| Total direct and indirect costs | 1,083,301 | 1,199,938 | 116,637 | |
| Less authorized health service fees | (883,224) | (1,090,899) | (207,675) | Finding 3 |
| Less offsetting savings/reimbursements | (8,820) | (8,820) | — | |
| Total program costs | <u>\$ 191,257</u> | 100,219 | <u>\$ (91,038)</u> | |
| Less amount paid by the State | | (191,257) | | |
| Allowable costs claimed in excess of (less than) amount paid | | <u>\$ (91,038)</u> | | |
| <u>Summary: July 1, 2002, through June 30, 2007</u> | | | | |
| Direct costs: | | | | |
| Salaries | \$ 2,277,408 | \$ 2,630,733 | \$ 353,325 | |
| Benefits | 535,352 | 601,241 | 65,889 | |
| Services and supplies | 462,756 | 549,975 | 87,219 | |
| Total direct costs | 3,275,516 | 3,781,949 | 506,433 | |
| Indirect costs | 1,235,939 | 854,407 | (381,532) | |
| Total direct and indirect costs | 4,511,455 | 4,636,356 | 124,901 | |
| Less authorized health service fees | (2,202,299) | (3,140,351) | (938,052) | |
| Less offsetting savings/reimbursements | (40,685) | (40,685) | — | |
| Less late filing penalty | (10,000) | (10,000) | — | |
| Less allowable costs that exceed costs claimed ² | — | (89,593) | (89,593) | |
| Total program costs | <u>\$ 2,258,471</u> | 1,355,727 | <u>\$ (902,744)</u> | |
| Less amount paid by the State | | (807,192) | | |
| Allowable costs claimed in excess of (less than) amount paid | | <u>\$ 548,535</u> | | |

¹ See the Findings and Recommendations section.

² Government Code section 17568 stipulates that the State will not reimburse any claim more than one year after the filing deadline specified in the SCO's claiming instructions. That deadline has expired for FY 2004-05.

Findings and Recommendations

**FINDING 1—
Understated salaries,
benefits, and services
and supplies**

The district understated salaries, benefits, and services and supplies by \$506,433. The district understated costs for the following reasons:

- For fiscal year (FY) 2003-04 and FY 2004-05, the district did not claim mandate-related psychological interns' costs.
- For FY 2002-03, FY 2003-04, and FY 2004-05, the district did not claim mandate-related health service costs that it funded with California Lottery revenue. The district's Lottery revenue does not result from the statute that established the mandated program. In addition, the district does not receive Lottery revenue specifically to fund mandated program costs. Therefore, Lottery revenue is not offsetting revenue for mandated program purposes.
- For FY 2006-07, the district did not claim mandate-related costs for its North Centers locations. The district believed that these costs were not mandate-related because the North Centers locations did not exist in the 1986-87 base year. However, the mandated program requires that the *district* provide the same level of health services that it provided in the 1986-87 base year; the *location(s)* where it provides those services is irrelevant.

The following table summarizes the audit adjustment:

| | Fiscal Year | | | | Total |
|------------------------------|-------------|------------|------------|------------|------------|
| | 2002-03 | 2003-04 | 2004-05 | 2006-07 | |
| Salaries: | | | | | |
| Psychological interns | \$ — | \$ 90,003 | \$ 174,983 | \$ — | \$ 264,986 |
| North Centers | — | — | — | 88,339 | 88,339 |
| Total, salaries | — | 90,003 | 174,983 | 88,339 | 353,325 |
| Benefits: | | | | | |
| Psychological interns | — | 14,270 | 29,858 | — | 44,128 |
| North Centers | — | — | — | 21,761 | 21,761 |
| Total, benefits | — | 14,270 | 29,858 | 21,761 | 65,889 |
| Services and supplies: | | | | | |
| Psychological interns | — | 1,116 | 2,772 | — | 3,888 |
| Lottery-funded costs | 8,037 | 28,905 | 2,298 | — | 39,240 |
| North Centers | — | — | — | 44,091 | 44,091 |
| Total, services and supplies | 8,037 | 30,021 | 5,070 | 44,091 | 87,219 |
| Audit adjustment | \$ 8,037 | \$ 134,294 | \$ 209,911 | \$ 154,191 | \$ 506,433 |

The program's parameters and guidelines state:

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

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

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 claim mandate-related costs that its accounting records support.

District's Response

The district agreed with the audit finding.

**FINDING 2—
Overstated indirect
costs**

The district overstated indirect costs by \$381,532.

For FY 2002-03 and FY 2003-04, the district claimed indirect costs based on indirect cost rates prepared using the principles of Title 2, *Code of Federal Regulations*, Part 220 (Office of Management and Budget Circular A-21). However, the district did not obtain federal approval for these rates.

For FY 2004-05, FY 2005-06, and FY 2006-07, the district claimed indirect costs based on its federally approved rate. However, the parameters and guidelines and the SCO's claiming instructions do not provide districts the option of using a federally approved rate for these fiscal years.

We calculated each fiscal year's allowable indirect cost rate using the SCO's FAM-29C methodology. We applied each fiscal year's allowable rate to the corresponding allowable direct costs.

The following table summarizes the audit adjustment:

| | Fiscal Year | | | | | Total |
|------------------------------|--------------------|-------------------|-----------------|-------------------|-------------------|--------------------|
| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | |
| Allowable direct costs | \$ 713,726 | \$ 608,304 | \$ 746,142 | \$ 765,959 | \$ 947,818 | |
| Allowable indirect cost rate | × 15.08% | × 16.15% | × 27.28% | × 25.18% | × 26.60% | |
| Allowable indirect costs | 107,630 | 98,241 | 203,548 | 192,868 | 252,120 | |
| Indirect costs claimed | (287,146) | (183,820) | (195,724) | (279,575) | (289,674) | |
| Audit adjustment | <u>\$(179,516)</u> | <u>\$(85,579)</u> | <u>\$ 7,824</u> | <u>\$(86,707)</u> | <u>\$(37,554)</u> | <u>\$(381,532)</u> |

The parameters and guidelines state:

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

For FY 2002-03 and FY 2003-04, 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 [FAM-29C] methodology. . . .

For FY 2004-05 forward, the SCO's claiming instructions state:

A CCD [community college district] may claim indirect costs using the Controller's methodology (FAM-29C). . . . If specifically allowed by a mandated program's P's & G's [parameters and guidelines], a district may alternately choose to claim indirect costs using either (1) a federally approved rate prepared in accordance with Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate.

Recommendation

We recommend that the district claim Health Fee Elimination Program indirect costs based on indirect cost rates computed in accordance with the SCO's FAM-29C methodology.

District's Response

. . . The District's FY 2002-03 and FY 2003-04 annual claims used a federal study method prepared by District staff pursuant to a federal rate proposal, including capital costs. The Controller used the CCFS-311, less capital costs, to calculate the indirect cost rate using its Form FAM-29C method. The Controller's policy was not to include depreciation costs in the calculation for these fiscal years. The Controller has not stated a basis for not including depreciation or capital costs. . . .

The District used a federally approved cost study rate for FY 2004-05, FY 2005-06, and FY 2006-07. The Controller has decided, but has not stated a basis for this decision, to discontinue, retroactively to FY 2004-05, the use of federal rates, approved or not. Instead, the Controller is using the CCFS-311, less capital costs, but with audited district financial statement depreciation costs included, to calculate the indirect cost rate using its Form FAM-29C method.

The parameters and guidelines for the Health Fee Elimination program (as amended on May 25, 1989), which are the legally enforceable standards for claiming costs, state that: "Indirect costs *may be claimed* in the manner described by the Controller in his claiming instructions" (Emphasis added). Therefore, the parameters and guidelines *do not require* that indirect costs be claimed in the manner described by the Controller. Instead, the burden is on the Controller to show that the indirect cost method used by the District is excessive or unreasonable, which is the only mandated cost audit standard in statute (Government Code Section 17651(d)(2)). However, the Controller's claiming instructions were never adopted as rules or regulations, so they have no force of law. If the Controller wishes to enforce different audit standards for mandated cost reimbursement, the Controller should comply with the Administrative Procedure Act. . . .

SCO's Comment

Our finding and recommendation are unchanged.

The district implies that it need not comply with the SCO's claiming instructions. We disagree with the district's interpretation of the parameters and guidelines language. Using the district's interpretation of the parameters and guidelines, districts would be allowed to claim

indirect costs in whatever manner they choose. The phrase "may be claimed" simply permits the district to claim indirect costs. However, if the district chooses to claim indirect costs, then the parameters and guidelines require that it comply with the SCO's claiming instructions.

The district states, "... the Controller's claiming instructions were never adopted as rules or regulations, so they have no force of law." We disagree. The parameters and guidelines state, "Indirect costs may be claimed in the manner described by the State Controller in his claiming instructions." The Commission on State Mandates (CSM) adopted the parameters and guidelines pursuant to Government Code section 17557. The SCO issued its claiming instructions pursuant to Government Code section 17558, subdivision (b). If the district believes that the SCO's claiming instructions are deficient, it should request that the CSM review the claiming instructions pursuant to Title 2, *California Code of Regulations* (CCR), Section 1186. If the district believes that the program's parameters and guidelines are deficient, it should initiate a request to amend the parameters and guidelines pursuant to Government Code section 17557, subdivision (d). However, in either case, any amendment would not be applicable to this audit period.

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

The district understated authorized health service fees by \$938,052. The district understated these fees because it reported actual receipts rather than authorized fees. The district believes that it is required to report only actual receipts. In addition, we noted that the district did not charge all students the full authorized fee amount for the 2004 and 2005 summer sessions, the 2006 fall semester, and the 2007 spring semester. Also, for all school terms, the district did not charge the full authorized fee amount for students attending off-campus classes only.

Mandated costs do not include costs that are reimbursable from authorized fees. 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 the Commission on State Mandates 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.

For the period July 1, 2002, through December 31, 2005, Education Code section 76355, subdivision (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. Effective January 1, 2006, only Education Code section 76355, subdivisions (c)(1) and (2) are applicable.

The California Community Colleges Chancellor's Office (CCCCO) identified the fees authorized by Education Code section 76355, subdivision (a).

The following table summarizes the authorized fees:

| Fiscal Year | Authorized Health Fee Rate | |
|-------------|----------------------------|----------------|
| | Fall and Spring Semesters | Summer Session |
| 2002-03 | \$12 | \$9 |
| 2003-04 | \$12 | \$9 |
| 2004-05 | \$13 | \$10 |
| 2005-06 | \$14 | \$11 |
| 2006-07 | \$15 | \$12 |

We obtained student enrollment, Board of Governors Grant (BOGG) recipient, and apprenticeship program enrollee data from the CCCCCO. The CCCCCO identified enrollment and BOGG recipient data from its management information system (MIS) based on student data that the district reported. The CCCCCO identified the district's enrollment based on CCCCCO's MIS data element STD7, codes A through G. The CCCCCO eliminated any duplicate students based on their social security numbers. From the district enrollment, the CCCCCO identified the number of BOGG recipients based on MIS data element SF21, all codes with first letter of B or F. The CCCCCO also identified the number of apprenticeship program enrollees based on its data element SB 23, code 1. The district did not identify any students excluded from the health service fee pursuant to Education Code section 76355, subdivision (c)(1).

The following table shows the authorized health service fee calculation and audit adjustment:

| | Summer Session | Fall Semester | Spring Semester | Total |
|---|--------------------|---------------------|---------------------|------------------|
| Fiscal Year 2002-03: | | | | |
| Number of enrolled students | 13,064 | 32,522 | 31,597 | |
| Less number of BOGG recipients | (6,209) | (16,703) | (16,189) | |
| Less number of apprenticeship program enrollees | (2) | (85) | (83) | |
| Subtotal | 6,853 | 15,734 | 15,325 | |
| Authorized health fee rate | × \$(9) | × \$(12) | × \$(12) | |
| Authorized health service fees | <u>\$ (61,677)</u> | <u>\$ (188,808)</u> | <u>\$ (183,900)</u> | \$ (434,385) |
| Less authorized health service fees claimed | | | | <u>368,100</u> |
| Audit adjustment, FY 2002-03 | | | | <u>(66,285)</u> |
| Fiscal Year 2003-04: | | | | |
| Number of enrolled students | 9,416 | 32,811 | 31,236 | |
| Less number of BOGG recipients | (4,658) | (15,727) | (15,941) | |
| Less number of apprenticeship program enrollees | (4) | (80) | (102) | |
| Subtotal | 4,754 | 17,004 | 15,193 | |
| Authorized health fee rate | × \$(9) | × \$(12) | × \$(12) | |
| Authorized health service fees | <u>\$ (42,786)</u> | <u>\$ (204,048)</u> | <u>\$ (182,316)</u> | (429,150) |
| Less authorized health service fees claimed | | | | <u>279,653</u> |
| Audit adjustment, FY 2003-04 | | | | <u>(149,497)</u> |

| | Summer Session | Fall Semester | Spring Semester | Total |
|---|-------------------|------------------|--------------------|--------------|
| Fiscal Year 2004-05: | | | | |
| Number of enrolled students | 10,825 | 32,216 | 30,985 | |
| Less number of BOGG recipients | (4,853) | (16,314) | (15,949) | |
| Less number of apprenticeship program enrollees | (4) | (85) | — | |
| Subtotal | 5,968 | 15,817 | 15,036 | |
| Authorized health fee rate | × \$(10) | × \$(13) | × \$(13) | |
| Authorized health service fees | \$ (59,680) | \$ (205,621) | \$ (195,468) | (460,769) |
| Less authorized health service fees claimed | | | | 332,627 |
| Audit adjustment, FY 2004-05 | | | | (128,142) |
| Fiscal Year 2005-06: | | | | |
| Number of enrolled students | 12,184 | 32,720 | 30,757 | |
| Less number of BOGG recipients | (5,957) | (16,428) | — | |
| Less number of apprenticeship program enrollees | (3) | (57) | (86) | |
| Subtotal | 6,224 | 16,235 | 30,671 | |
| Authorized health fee rate | × \$(11) | × \$(14) | × \$(14) | |
| Authorized health service fees | \$ (68,464) | \$ (227,290) | \$ (429,394) | (725,148) |
| Less authorized health service fees claimed | | | | 338,695 |
| Audit adjustment, FY 2005-06 | | | | (386,453) |
| Fiscal Year 2006-07: | | | | |
| Number of enrolled students | 12,105 | 32,988 | 30,139 | |
| Less number of apprenticeship program enrollees | (3) | (82) | — | |
| Subtotal | 12,102 | 32,906 | 30,139 | |
| Authorized health fee rate | × \$(12) | × \$(15) | × \$(15) | |
| Authorized health service fees | \$ (145,224) | \$ (493,590) | \$ (452,085) | (1,090,899) |
| Less authorized health service fees claimed | | | | 883,224 |
| Audit adjustment, FY 2006-07 | | | | (207,675) |
| Total audit adjustment | | | | \$ (938,052) |

Recommendation

We recommend that the district:

- Deduct authorized health service fees from mandate-related costs claimed. To properly calculate authorized health service fees, we recommend that the district identify the number of enrolled students based on the CCCCCO data element STD7, codes A through G.
- Identify the number of apprenticeship program enrollees based on data elements SB 23, code 1, and STD7, codes A through G.
- Eliminate duplicate entries for students who attend more than one college within the district.

- Maintain documentation that identifies the number of students excluded from the health service fee based on Education Code section 76355, subdivision (c)(1). If the district denies health services to any portion of its student population, it should maintain contemporaneous documentation of a district policy that excludes those students from receiving health services and documentation identifying the number of students excluded. The district must also provide documentation that it excluded the same student population from receiving health services during the 1986-87 base year.
- Charge students the authorized fee amount for each school term.
- ~~Waive the health service fee only for those students specified in Education Code section 76355, subdivision (c).~~

District's Response

"Authorized" Fee Amount

The draft audit report asserts that claimants must compute the total student health service fees collectible based on the highest "authorized" rate. The draft audit report does not provide the statutory basis for the calculation of the "authorized" rate, nor the source of the legal right of any state entity to "authorize" student health service fee amounts, absent rulemaking or compliance with the Administrative Procedure Act by the "authorizing" state agency. The fee amounts "identified" by the State Chancellor's office referenced in the draft audit report merely informs, by form letter to the local districts, that the Implicit Price Deflator has increased and that the districts may increase their student health service fee if the district so chooses. The State Chancellor is not authorized by statute to direct the local districts to increase the student health service fee.

Education Code Section 76355

Education Code Section 76355, subdivision (a)(1), states that "[t]he governing board of a district maintaining a community college may require community college students to pay a fee ... for health supervision and services..." (Emphasis added). 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).

Government Code Section 17514

The draft audit report relies upon Government Code Section 17514 for the conclusion that "[t]o the extent that community college districts can charge a fee, they are not *required* to incur a cost." First, charging a fee has no relationship to whether costs are incurred to provide the student health services program. . . .

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 that describes the legal effect of fees collected.

Government Code Section 17556

The draft audit report relies upon Government Code Section 17556 for the conclusion that “the Commission on State Mandates 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 draft audit report misrepresents the law. Government Code Section 17556 prohibits the Commission from finding costs subject to reimbursement, that is, approving a test claim activity for reimbursement where the authority exists 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.

Parameters and Guidelines

The parameters and guidelines, as amended on May 25, 1989, state, in relevant part: “Any offsetting savings the claimant experiences as a direct result of this statute must be deducted from the costs claimed. . . This shall include the amount of [student fees] . . . as authorized by Education Code Section 72246 (a).” Therefore, the student fees actually collected must be used to offset costs, but not student fees that could have been collected and were not, because uncollected fees are “offsetting savings” that were not “experienced.”

SCO's Comment

Our finding and recommendation are unchanged.

Authorized Fee Amount

The district states, “The draft audit report does not provide the statutory basis for the calculation of the ‘authorized’ rate, nor the source of the legal right of any state entity to ‘authorize’ student health service fee amounts. . . .” The audit finding specifies Education Code section 76355, subdivision (a), as the statutory basis to calculate authorized health service fee rates. Our report does not state or infer that any state agency “authorizes” the health service fee rate.

The district also states, “The State Chancellor is not authorized by statute to direct the local districts to increase the student health service fee.” We agree that the CCCCO is not authorized to direct districts to increase fees. Our finding states that the CCCCO *identified* the fees authorized by Education Code section 76355, subdivision (a).

Education Code Section 76355

We agree that community college districts may choose not to levy a health service fee or to levy a fee less than the authorized amount. Regardless of the district's decision to levy or not levy the authorized health service fee, Education Code section 76355, subdivision (a), provides districts the *authority* to levy the fee. The district's failure to collect authorized fees does not relieve it from its responsibility to offset authorized fees from its mandated program claims.

Government Code Section 17514

The district states, "... charging a fee has no relationship to whether costs are incurred to provide the student health services program." We disagree. The simple correlation is that if the district charges a fee that in turn pays for a health service expense, then there is no "cost" to the district. Government Code section 17514 states, "'Costs mandated by the state' means any increased costs which a local agency or school district is *required* [emphasis added] to incur. . . ." If the district has authority to collect fees attributable to health service expenses, then it is not *required* to incur a cost. Therefore, mandated costs do not include those health service expenses that may be paid by authorized fees.

Government Code Section 17556

The district believes that the statutory language applies only when the fee authority is sufficient to offset the "entire" mandated costs. We disagree. The CSM recognized that the Health Fee Elimination Program's costs are not uniform among 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 to pay the "entire" costs of 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.

Two court cases addressed the issue of fee authority.¹ 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.

¹ *County of Fresno v. California* (1991) 53 Cal. 3d 482; *Connell v. Santa Margarita* (1997) 59 Cal. App. 4th 382.

Parameters and Guidelines

The CSM recognized the *availability* of another funding source by including the fees as offsetting savings in the parameters and guidelines. The CSM's staff analysis of May 25, 1989, states the following regarding the proposed parameters and guidelines amendments that the CSM adopted that day:

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.

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 proposed parameters and guidelines amendments further, since the CSM's staff concluded that the DOF's proposed language did not substantively change the scope of staff's proposed language. The CSM's meeting minutes of May 25, 1989, show that the CSM adopted the proposed parameters and guidelines on consent, with no additional discussion. Therefore, no community college districts objected and there was no change to the CSM's interpretation regarding authorized health service fees.

**FINDING 4—
Inaccurate reporting
of health services
provided**

For all fiscal years, the district inaccurately reported base-year and current-year services provided. We reviewed the services that the district reported in the 1986-87 base year, along with the base-year and current-year services that the district reported for each fiscal year of the audit period. We noted the following inconsistencies:

- The district's 1986-87 base-year report identified a service provided; however, the district did not report the same service as a base-year and/or current-year service in one or more fiscal years during the audit period.
- For one or more years during the audit period, the district reported that it provided a service during the base year and the current year; however, the district's 1986-87 base-year report did not show that it provided the same service.

The table shown on the following page summarizes the reporting inconsistencies.

The parameters and guidelines state:

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 [emphasis added] are eligible to claim reimbursement of those costs.

The parameters and guidelines identify reimbursable health services and state that the district will be reimbursed only for those services that it provided in the 1986-87 base year. They also state:

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. . . .

Recommendation

We recommend that the district accurately report health services that it provided in the 1986-87 base year and during the current year for which it intends to claim mandate-related costs. We recommend that the district refrain from claiming any mandated costs if it does not provide one or more services that it provided during the 1986-87 base year. In addition, we recommend that the district deduct the actual cost of any current-year services that exceed the services that the district provided during the 1986-87 base year.

| REPORTING INCONSISTENCIES | | | | | | | | | | | |
|--|------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| Health Services | FY 1986-87 | FY 2002-03 | | FY 2003-04 | | FY 2004-05 | | FY 2005-06 | | FY 2006-07 | |
| | Base Year | Base Year | Current Year | Base Year | Current Year | Base Year | Current Year | Base Year | Current Year | Base Year | Current Year |
| Assessment, Intervention and Counseling: | | | | | | | | | | | |
| Acquired Immune Deficiency Syndrome | ✓ | | | | | | | ✓ | ✓ | ✓ | ✓ |
| Other medical problems: | ✓ | | | | | | | | | | |
| Hypertension | | ✓ | ✓ | | | | | | | | |
| Cardiovascular | | ✓ | ✓ | | | | | | | | |
| Seizure disorder | | ✓ | ✓ | | | | | | | | |
| Pulmonary | | ✓ | ✓ | | | | | | | | |
| Health Talks or Fairs. Information: | | | | | | | | | | | |
| Other - blood drive | ✓ | | | | | | | | | | |
| Immunizations: | | | | | | | | | | | |
| Diphtheria/Tetanus | ✓ | | | | | | | | | | |
| Insurance: | | | | | | | | | | | |
| Insurance Inquiry/claim administration | ✓ | | | | | | | | | | |
| Medications: | | | | | | | | | | | |
| RID | ✓ | | | | | | | | | | |
| ToInafate | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Cortisone | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| CTM | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Pseudoephedrine HCE | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Diphenhydramine | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Pediculosis Control | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Cough syrup | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Lozenges | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Referrals to Outside Agencies: | | | | | | | | | | | |
| Crisis Centers | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Tests: | | | | | | | | | | | |
| Vision | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ |
| Glucometer | ✓ | | | | | ✓ | ✓ | | | | |
| Urinalysis | ✓ | | | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ |
| Hemoglobin | | ✓ | ✓ | | | | | | | | |
| Committees: | | | | | | | | | | | |
| Environmental | ✓ | | | | | | | | | | |
| Communicable disease control | ✓ | | | | | | | | | | |
| Self-esteem groups | | | | | | | | | | | |
| Mental health crisis | | | | | | | | | | | |
| Alcoholics anonymous group | ✓ | | | | | | | | | | |
| Adult children of alcoholics group | ✓ | | | | | | | | | | |
| Workshops: | | | | | | | | | | | |
| Stress management | | | | | | | | | | | |
| Communication | | | | | | | | | | | |
| Weight loss | | | | | | | | | | | |
| Assertiveness skills | ✓ | | | | | | | | | | |

District's Response

... As to the base-year, using the documentation provided by the auditor and originally submitted by the District many years ago, the District will be able to accurately report the FY 1986-87 base-year services on future claims.

For each subsequent fiscal year, claimants must certify that the base year services continue to be *available*, although not necessarily *provided*. The District is certifying that the same level of services continues to be available, not that each and every service was *rendered* each subsequent year. The draft audit report incorrectly recommends that "the district refrain from claiming any mandated costs if it does not provide one or more services that it provided during the 1986-87 base year." Rather, the District has to continue to make these services available, whether they are rendered or not. For example, hearing tests may be available every year, but there may be a year in which no hearing tests were required by students. Of course, if an available service is not provided in the current year, then there would be no cost incurred to be claimed.

The District must first certify the services available, then it is required to identify the cost of current year services, and then deduct the cost of any services provided in excess of the base-year services available. Base-year services must continue to be available, but cost is claimed on services actually utilized, which is to say *rendered*, each year. District staff will continue to evaluate the list of services available each future year to make sure they are correctly reported and claim costs only for those services available in the base-year.

SCO's Comment

Our finding and recommendation are unchanged. The district makes a distinction between "services provided," "services available", and "services rendered." Such a distinction is not relevant; the parameters and guidelines address services *provided*.

The parameters and guidelines, Section III, Eligible Claimants, states:

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

Section V, subdivision A, Scope of Mandate, states:

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

Section V, subdivision B, Reimbursable Activities, states:

For each eligible claimant, the following cost items are reimbursable to the extent they were *provided* [emphasis added] by the community college district in fiscal year 1986-87.

The district did not comment on the factual accuracy of the reporting inconsistencies noted in the audit finding.

The district states, "The draft audit report incorrectly recommends that 'the district refrain from claiming any mandated costs if it does not provide one or more services that it provided during the 1986-87 base year.'" We stand by the recommendation. The parameters and guidelines state, "Community college districts which provided health services in 1986-87 fiscal year *and continue to provide the same services* [emphasis added] as a result of this mandate are eligible to claim reimbursement of those costs." Districts that do not provide the same services are ineligible to claim mandated costs.

**FINDING 5—
Insufficient
documentation of
health services
provided**

Fresno City College and the district's North Centers (Clovis Center, Madera Center, and Oakhurst Center) did not sufficiently document actual health services that they provided. These locations maintained health service records that do not identify the services provided consistent with the parameters and guidelines. The records either identified the services provided using general, vague descriptions or did not identify a specific service provided.

The parameters and guidelines identify approximately 125 specific reimbursable health services and state that the district will be reimbursed only for those services that it provided in FY 1986-87. They state that the district must support claimed salaries and benefits in the following manner:

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* [emphasis added]. . . .

The parameters and guidelines also state:

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

Recommendation

We recommend that Fresno City College and the district's North Centers maintain health service records identifying actual services that they provided in the same manner that the parameters and guidelines and the SCO's claim forms identify health services.

District's Response

The draft audit report states that Fresno City College and the North Centers did not sufficiently document actual health services provided. As stated in Finding 4, claimants are required to certify that base-year services continue to be *available*, and the certification is at the district-level, not by site. Claimants are also required to deduct the cost of current year services *rendered* in excess of base-year services *available*. We will evaluate our recordkeeping systems district wide to improve the identification of any excess services provided, if any, for each future fiscal year.

SCO's Comment

Our finding and recommendation are unchanged. Similar to Finding 4, the district makes a distinction between "services provided," "services available", and "services rendered." Such a distinction is not relevant; the parameters and guidelines address services *provided*.

Regarding insufficient documentation of health services provided, the district states, "We will evaluate our recordkeeping systems district wide to improve the identification of any excess services provided, if any, for each future fiscal year." The district did not comment on the factual accuracy of the audit finding. The parameters and guidelines state that only services provided in FY 1986-87 are eligible for reimbursement. They also state that the district must identify the mandated functions performed.

We continue to recommend that the district maintain health service records identifying actual services that it provided in the same manner that the parameters and guidelines and the SCO's claim forms identify those services. If the district is unable to validate that it has claimed costs only for services that are reimbursable under the mandated program, the SCO will conclude that the entire claim is unallowable.

OTHER ISSUES

The district's response included other comments related to the mandated cost claims. The district's comments and SCO's responses are presented below.

Statute of Limitations

The district's response included comments related to the statute of limitations applicable to the district's FY 2002-03, FY 2003-04, and FY 2004-05 mandated cost claims. The district's comment and SCO's response are as follows:

District's Response

| <u>Fiscal Year</u> | <u>Date Claim Filed</u> | <u>Audit Statute of Limitations</u> |
|--------------------|-------------------------|-------------------------------------|
| FY 2002-03 | January 9, 2004 | Past audit January 9, 2007 |
| FY 2003-04 | December 13, 2004 | Past audit December 13, 2007 |
| FY 2004-05 | December 5, 2005 | Past audit December 5, 2008 |

Regarding the annual claims for FY 2002-03 and FY 2003-04, Government Code Section 17558.5 (as amended by Statutes of 2002, Chapter 1128, Section 14.5, operative January 1, 2003) states:

- (a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim.

Regarding the annual claim for FY 2004-05, Government Code Section 17558.5 (as amended by Statutes of 2004, Chapter 890, Section 18, operative January 1, 2005) states:

- (a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced.

Since there were state appropriations, although minimal and not specifically or contemporaneously paid to this District, for those three fiscal years, the statute of limitations to initiate the audit of those three fiscal years expired three years after the date of annual claim filing. The audit was initiated with the entrance conference conducted on June 9, 2009, which is more than three years after the annual claims were filed.

SCO's Comment

Our findings and recommendations are unchanged. The district infers that the time for the SCO to initiate an audit commenced with the appropriation made for each fiscal year. We disagree. Government Code section 17558.5, subdivision (a), states, "... However, if no funds are

appropriated *or no payment is made to a claimant for the program for the fiscal year for which the claim is filed* [emphasis added], the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. . . ." Only one condition need be true to extend the time for the SCO to commence an audit; i.e., either no funds are appropriated *or no payment is made*.

For its FY 2002-03 claim, the district did not receive its initial payment until October 25, 2006. Therefore, the SCO had until October 25, 2009, to commence an audit. As stated in the district's response, the SCO commenced the audit on June 9, 2009, before the statute of limitations expired for this fiscal year.

For its FY 2003-04 and FY 2004-05 claims, the district received no payment as of the audit entrance conference date. Therefore, the SCO properly initiated its audit of these fiscal years within the statute of limitations.

Public Records Request

The district's response included a public records request. The district's comment and SCO's response are as follows:

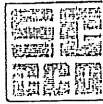
District's Response

The District requests that the Controller provide the District any and all written instructions, memoranda, or other writings in effect and applicable during the claiming period to Finding 2 (indirect cost rate calculation standards) and Finding 3 (calculation of the student health services fees offset).

SCO's Comment

The SCO provided the district the requested records by separate letter dated May 19, 2010.

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



State Center Community College District

1525 East Weldon Avenue • Fresno, California 93704-6398 • (559) 226-0720 • FAX 559-229-7039 • www.scccd.edu
May 12, 2010

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

Re: Chapter 1, Statutes of 1984, 2nd E. S.
Chapter 1118, Statutes of 1987
Health Fee Elimination Program
Annual Claim Fiscal Years: 2002-03 through 2006-07
State Center Community College District

Dear Mr. Spano:

This letter is the response of the State Center Community College District to the draft audit report for the above referenced program and fiscal years transmitted by the letter from Jeffrey V. Brownfield, Chief, Division of Audits, State Controller's Office, dated April 23, 2010, and received by the District on May 3, 2010.

Finding 1 - Understated salaries, benefits, and services and supplies

The draft audit report increases the program amounts claimed by \$506,433 for three types of program costs not included in the claims.

1. Psychological Intern Program Costs

The adjustments add the psychological intern costs (salaries, benefits, and supply costs) to FY 2003-04 and FY 2004-05 which were not included in those annual claims. The District agrees that the costs should have been included in those claims. The District included these program costs in FY 2005-06 and FY 2006-07 annual claims.

2. Lottery Funds

The adjustment adds costs funded by the State Lottery in a separate program fund for FY 2002-03, FY 2003-04, and FY 2004-05. The District agrees that the costs should have been included in these claims, without offset.

3. North Center Costs

The adjustments add program costs for the North Centers for FY 2006-07. The District agrees that the costs should have been included in that claim.

Finding 2 - Overstated indirect costs

The draft audit report concludes that the District overstated indirect costs by \$381,532 for the four fiscal years included in the audit. The draft audit report states that the District overstated indirect costs for two reasons:

- The FY 2002-03 and FY 2003-04 annual claims used an indirect cost rate based on the principles of OMB Circular A-21, but that it was not a cost study approved by the federal government as required by the Controller's claiming instructions.
- The claims for FY 2004-05, FY 2005-06, and FY 2006-07 utilized a federally approved rate, but that the Commission on State Mandates parameters and guidelines and the Controller's claiming instructions do not provide claimants the option of using federally approved rates for these fiscal years.

| <u>Claimed Fiscal Year</u> | <u>Audited Rate</u> | <u>Source</u> | <u>Rate</u> | <u>Source</u> |
|--------------------------------|-------------------------|---------------|-------------|---------------|
| FY 2002-03 depreciation | 40.69% | District | 15.08% | FAM 29C-no |
| FY 2003-04 depreciation | 38.78% | District | 16.15% | FAM 29C-no |

The draft audit report states that the Controller's claiming instructions relevant to these fiscal years state that when 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 District's FY 2002-03 and FY 2003-04 annual claims used a federal study method prepared by District staff pursuant to a federal rate proposal, including capital costs. The Controller used the CCFS-311, less capital costs, to calculate the indirect cost rate using its Form FAM-29C method. The Controller's policy was not to include depreciation costs in the calculation for these fiscal years. The Controller has not stated a basis for not including depreciation or capital costs.

| | | | | |
|----------------------------|--------|---------|--------|--------------|
| FY 2004-05 depreciation | 36.50% | Federal | 27.28% | FAM 29C-with |
| FY 2005-06 depreciation | 36.50% | Federal | 25.18% | FAM 29C-with |
| FY 2006-07 depreciation | 36.50% | Federal | 26.60% | FAM 29C-with |

The District used a federally approved cost study rate for FY 2004-05, FY 2005-06, and FY 2006-07. The Controller has decided, but has not stated a basis for this decision, to discontinue, retroactively to FY 2004-05, the use of federal rates, approved or not. Instead, the Controller is using the CCFS-311, less capital costs, but with audited district financial statement depreciation costs included, to calculate the indirect cost rate using its Form FAM-29C method.

The parameters and guidelines for the Health Fee Elimination program (as amended on May 25, 1989), which are the legally enforceable standards for claiming costs, state that: "Indirect costs *may be claimed* in the manner described by the Controller in his claiming instructions" (Emphasis added). Therefore, the parameters and guidelines *do not require* that indirect costs be claimed in the manner described by the Controller. Instead, the burden is on the Controller to show that the indirect cost method used by the District is excessive or unreasonable, which is the only mandated cost audit standard in statute (Government Code Section 17651(d)(2)). However, the Controller's claiming instructions were never adopted as rules or regulations, so they have no force of law. If the Controller wishes to enforce different audit standards for mandated cost reimbursement, the Controller should comply with the Administrative Procedure Act.

Since the draft audit report 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 District's rates as unreasonable or excessive, the adjustment should be withdrawn.

Finding 3 - Understated authorized health service fees

The draft audit report states that "authorized" student health service fee revenues were understated by \$938,052 for the audit period. This adjustment is due to the fact that the District reported the actual student health service fees that it collected rather than

"authorized" student health service fees that could have been collected. The audit report notes that the District did not charge the greatest possible fee amount "authorized" by the Chancellor's Office for several semesters and did not charge the students attending the off-campus learning centers.

"Authorized" Fee Amount

The draft audit report asserts that claimants must compute the total student health service fees collectible based on the highest "authorized" rate. The draft audit report does not provide the statutory basis for the calculation of the "authorized" rate, nor the source of the legal right of any state entity to "authorize" student health service fee amounts, absent rulemaking or compliance with the Administrative Procedure Act by the "authorizing" state agency. The fee amounts "identified" by the State Chancellor's office referenced in the draft audit report merely informs, by form letter to the local districts, that the Implicit Price Deflator has increased and that the districts may increase their student health service fee if the district so chooses. The State Chancellor is not authorized by statute to direct the local districts to increase the student health service fee.

Education Code Section 76355

Education Code Section 76355, subdivision (a)(1), states that "[t]he governing board of a district maintaining a community college may require community college students to pay a fee . . . for health supervision and services" (Emphasis added). 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).

Government Code Section 17514

The draft audit report relies upon Government Code Section 17514 for the conclusion that "[t]o the extent that community college districts can charge a fee, they are not *required* to incur a cost." First, charging a fee has no relationship to whether costs are incurred to provide the student health services program. Second, 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 XIIB 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 that describes the legal effect of fees collected.

Government Code Section 17556

The draft audit report relies upon Government Code Section 17556 for the conclusion that "the Commission on State Mandates 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 Statutes of 2006, Chapter 538, 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 any one of the following: . . .

(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 draft audit report misrepresents the law. Government Code Section 17556 prohibits the Commission from finding costs subject to reimbursement, that is, approving a test claim activity for reimbursement where the authority exists 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.

Parameters and Guidelines

The parameters and guidelines, as amended on May 25, 1989, state, in relevant part: "Any offsetting savings the claimant experiences as a direct result of this statute must be deducted from the costs claimed This shall include the amount of [student fees] as authorized by Education Code Section 72246(a)." Therefore, the student fees actually collected must be used to offset costs, but not student fees that could have been collected and were not, because uncollected fees are "offsetting savings" that were not "experienced."

Therefore, the audit report findings and recommendations regarding enrollment data obtained from the Chancellor's Office, the students to be charged, and the amounts to charge these students are not relevant to the District claimed amounts since the District

claimed actual revenues collected that resulted from the District's policy regarding which students are to be charged and how much they are to be charged.

The audit report should be changed to comply with the appropriate application of the parameters and guidelines and the Government Code concerning audits of mandate claims.

Finding 4 - Inaccurate reporting of health services provided

The draft audit report states that the District inaccurately reported base-year and current-year services *provided*. As to the base-year, using the documentation provided by the auditor and originally submitted by the District many years ago, the District will be able to accurately report the FY 1986-87 base-year services on future claims.

For each subsequent fiscal year, claimants must certify that the base year services continue to be *available*, although not necessarily *provided*. The District is certifying that the same level of services continues to be *available*, not that each and every service was *rendered* each subsequent year. The draft audit report incorrectly recommends that "the district refrain from claiming any mandated costs if it does not provide one or more services that it provided during the 1986-87 base year." Rather, the District has to continue to make these services available, whether they are rendered or not. For example, hearing tests may be available every year, but there may be a year in which no hearing tests were required by students. Of course, if an available service is not provided in the current year, then there would be no cost incurred to be claimed.

The District must first certify the services available, then it is required to identify the cost of current year services, and then deduct the cost of any services provided in excess of the base-year services available. Base-year services must continue to be available, but cost is claimed on services actually utilized, which is to say *rendered*, each year. District staff will continue to evaluate the list of services available each future year to make sure they are correctly reported and claim costs only for those services available in the base-year.

Finding 5 - Insufficient documentation of health service provided

The draft audit report states that Fresno City College and the North Centers did not sufficiently document actual health services provided. As stated in Finding 4, claimants are required to certify that base-year services continue to be *available*, and the certification is at the district-level, not by site. Claimants are also required to deduct the cost of current year services *rendered* in excess of base-year services *available*. We will evaluate our recordkeeping systems district wide to improve the identification of any excess services provided, if any, for each future fiscal year.

OTHER MATTERS

Statute of Limitations

| <u>Fiscal Year</u> <u>Limitations</u> | <u>Date Claim Filed</u> | <u>Audit Statute of</u> |
|--|-------------------------|----------------------------|
| FY 2002-03 | January 9, 2004 | Past audit January 9, 2007 |
| FY 2003-04 | December 13, 2004 | Past audit December 13, |
| 2007 | | |
| FY 2004-05 | December 5, 2005 | Past audit December 5. |
| 2008 | | |

Regarding the annual claims for FY 2002-03 and FY 2003-04, Government Code Section 17558.5 (as amended by Statutes of 2002, Chapter 1128, Section 14.5, operative January 1, 2003) states:

- (a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim.

Regarding the annual claim for FY 2004-05, Government Code Section 17558.5 (as amended by Statutes of 2004, Chapter 890, Section 18, operative January 1, 2005) states:

(a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced.

Since there were state appropriations, although minimal and not specifically or contemporaneously paid to this District, for those three fiscal years, the statute of limitations to initiate the audit of those three fiscal years expired three years after the date of annual claim filing. The audit was initiated with the entrance conference conducted on June 9, 2009, which is more than three years after the annual claims were filed.

Public Records Request

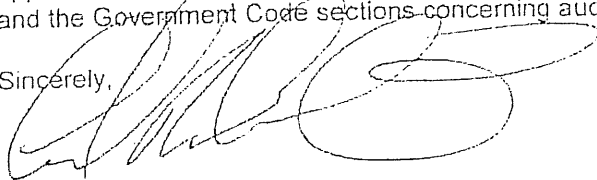
The District requests that the Controller provide the District any and all written instructions, memoranda, or other writings in effect and applicable during the claiming period to Finding 2 (indirect cost rate calculation standards) and Finding 3 (calculation of the student health services fees offset).

Government Code section 6253, subdivision ©, requires the state agency that is the subject of the request, within ten days from receipt of a request for a copy of records, to determine whether the request, in whole or in part, seeks copies of disclosable public records in possession of the agency and promptly notify the requesting party of that determination and the reasons therefore. Also, as required, when so notifying the District, the agency must state the estimated date and time when the records will be made available.

○ ○ ○

The District requests that the final audit report comply with the appropriate application of the Parameters and Guidelines regarding allowable activity costs and the Government Code sections concerning audits of mandate claims

Sincerely,

A handwritten signature in black ink, appearing to read 'Douglas R. Brinkley', written in a cursive style.

Douglas R. Brinkley
Vice-Chancellor

DRB:ch

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

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

CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE

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



March 5, 2001

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

From: Thomas J. Nussbaum
Chancellor

Subject: Student Health Fee Increase

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

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

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

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

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

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

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

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

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

I:\Fisc\FiscUnit\01StudentHealthFees\011StuHealthFees.doc

FOREWORD

The claiming instructions contained in this manual are issued for the sole purpose of assisting claimants with the preparation of claims for submission to the State Controller's Office. These instructions have been prepared based upon interpretation of the State of California statutes, regulations, and parameters and guidelines adopted by the Commission on State Mandates. Therefore, unless otherwise specified, these instructions should not be construed in any manner to be statutes, regulations, or standards.

If you have any questions concerning the enclosed material, write to the address below or call the Local Reimbursements Section at (916) 324-5729, or email to lrstdar@sco.ca.gov.

State Controller's Office
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

Prepared by the State Controller's Office
Updated September 30, 2003

Fiscal Year

2002 - 2003

SixTen and Associates

Mandate Reimbursement Services

Keith B. PETERSEN, MPA, JD, President
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

Telephone: (858) 514-8605
Fax: (858) 514-8645
E-Mail: Kbpsixten@aol.com

January 9, 2004

CERTIFIED MAIL # 7003 1010 0003 2876 7098

Ms. Virginia Brummels, Section Manager
Local Reimbursement Section
Division of Accounting and Reporting
Office of the State Controller
P.O. Box 942850
Sacramento, CA 94250

Dear Ms. Brummels,

RE: Annual Reimbursement Claims
State Center Community College District S10225

Enclosed please find the original claim and an extra copy of the FAM-27 for State Center Community College District's reimbursement claims for:

| | | |
|--------|------------------------|-----------|
| 961/75 | Collective Bargaining | 2002-2003 |
| 1/84 | Health Fee Elimination | 2002-2003 |
| 783/95 | Investment Reports | 2002-2003 |

If you have any questions regarding these claims, please contact me at (858) 514-8605.

Sincerely,



Keith B. Petersen

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: L S10225 | | | Reimbursement Claim Data | |
| (02) Mailing Address: A B E L State Center Community College District | | | (22) HFE - 1.0, (04)(b) | \$ 615,935 |
| Claimant Name L State Center Community College District | | | (23) | |
| County of Location H Fresno | | | (24) | |
| Street Address E R 1525 East Weldon Avenue | | | (25) | |
| City State Zip Code E Fresno CA 93704-6398 | | | (26) | |
| Type of Claim | Estimated Claim | Reimbursement Claim | (27) | |
| | (03) Estimated <input checked="" type="checkbox"/> | (09) Reimbursement <input checked="" type="checkbox"/> | (28) | |
| | (04) Combined <input type="checkbox"/> | (10) Combined <input type="checkbox"/> | (29) | |
| | (05) Amended <input type="checkbox"/> | (11) Amended <input type="checkbox"/> | (30) | |
| Fiscal Year of Cost | (06) 2003-2004 | (12) 2002-2003 | (31) | |
| Total Claimed Amount | (07) \$ 600,000 | (13) \$ 615,935 | (32) | |
| Less: 10% Late Penalty, but not to exceed \$0 | | (14) \$ - | (33) | |
| Less: Estimate Claim Payment Received | | (15) \$ - | (34) | |
| Net Claimed Amount | | (16) \$ 615,935 | (35) | |
| Due from State | (08) \$ 600,000 | (17) \$ 615,935 | (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

Douglas R. Brinkley

Vice Chancellor, Finance & Administration

or Print Name

Title

(39) Name of Contact Person or Claim

Telephone Number (858) 514-8605

SixTen and Associates

E-Mail Address kbpsixten@aol.com

Program
029

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.0**

| | | | |
|--|--------------------------------------|-------------------------------------|-------------|
| (01) Claimant: Claimant Name State Center Community College District | (02) Type of Claim: Reimbursement | <input checked="" type="checkbox"/> | Fiscal Year |
| | Estimated | <input 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. Fresno City College | \$ 414,902.52 |
| 2. Reedley College | \$ 201,032.74 |
| 3. | \$ - |
| 4. | \$ - |
| 5. | \$ - |
| 6. | \$ - |
| 7. | \$ - |
| 8. | \$ - |
| 9. | \$ - |
| 10. | \$ - |
| 11. | \$ - |
| 12. | \$ - |
| 13. | \$ - |
| 14. | \$ - |
| 15. | \$ - |
| 16. | \$ - |
| 17. | \$ - |
| 18. | \$ - |
| 19. | \$ - |
| 20. | \$ - |
| 21. | \$ - |
| (04) Total Amount Claimed | \$ 615,935 |

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

| | | |
|------------------------|--|-------------------------|
| Program 029 | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.2 |
|------------------------|--|-------------------------|

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

(03) Name of College: Reedley 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: 40.69% | Total |
|---|-------------|-----------------------------|------------|
| (05) Cost of Health Services for the Fiscal year of Claim | \$ 233,064 | \$ 94,834 | \$ 327,898 |
| (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)] | \$ 233,064 | \$ 94,834 | \$ 327,898 |

(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)] | | | | | | \$ 125,090 |
| (10) Sub-total | [Line (07) - line (09)] | | | | | | \$ 202,808 |

| | | |
|--|---------------------------------------|------------|
| Cost Reduction | | |
| (11) Less: Offsetting Savings, if applicable | | \$ - |
| (12) Less: Other Reimbursements, if applicable | | \$ 1,775 |
| (13) Total Amount Claimed | [Line (10) - (line (11) + line (12))] | \$ 201,033 |

| | | |
|------------------------|--|-------------------------|
| Program 029 | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.1 |
|------------------------|--|-------------------------|

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

(03) Name of College Fresno City 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: 40.69% | Total |
|--|-------------|-----------------------------|------------|
| (05) Cost of Health Services for the Fiscal year of Claim | \$ 472,626 | \$ 192,312 | \$ 664,938 |
| (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)] | \$ 472,626 | \$ 192,312 | \$ 664,938 |

(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)] | \$ 243,010 |
| (10) Sub-total | [Line (07) - line (09)] | \$ 421,928 |
| Cost Reduction | | |
| (11) Less: Offsetting Savings, if applicable | | \$ - |
| (12) Less: Other Reimbursements, if applicable | | \$ 7,025 |
| (13) Total Amount Claimed | [Line (10) - (line (11) + line (12))] | \$ 414,903 |

State Center Community College District
Facilities and Administration Rate
Summary of Indirect Cost Pools & Rate Computation
Fiscal Year Ended June 30, 2002

Schedule A

| <u>Facilities and Administration Costs from Schedule B</u> | <u>Amount</u> | <u>F&A Rate</u> |
|--|---------------|-------------------------|
| Facilities | | |
| Operation & maintenance | \$ 9,773,711 | 11.71% |
| Depreciation | 3,662,230 | 4.39% |
| Library | 3,180,511 | 3.81% |
| Total facilities | 16,616,452 | 19.90% |
| Administration | | |
| General administration | 16,201,368 | 19.41% |
| Departmental administration | 1,148,949 | 1.38% |
| Total administration | 17,350,317 | 20.78% |
| Total | \$ 33,966,769 | 40.69% |
| Direct cost base | \$ 83,486,368 | |

Program
029

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

**FORM
HFE-2.1**

| Claimant | Fiscal Year | |
|--|----------------------|-----------------------|
| State Center Community College District | 2002-2003 | |
| (03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year. | (a) FY 1986/87 | (b) FY of Claim |
| Accident Reports | X | X |
| Appointments | | |
| College Physician, surgeon | | |
| Dermatology, Family practice | | |
| Internal Medicine | | |
| Outside Physician | | |
| Dental Services | X | X |
| Outside Labs, (X-ray, etc.) | | |
| 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 | | |
| Nutrition | X | X |
| Test Results, office | | |
| 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 | | |
| 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 | X | X |
| 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: Hypertension, Cardio-Vascular, Seizure Disorder, Pulmonary | 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 | X | X |
| Child Abuse | X | X |

| | | |
|------------------------------|---|-------------------------------|
| Program 029 | MANDATED COSTS HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | FORM HFE-2.1 |
|------------------------------|---|-------------------------------|

| | |
|---|--------------------------|
| Claimant State Center 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 | X | X |
| Immunizations | | |
| Diphtheria/Tetanus | X | X |
| Measles/Rubella | X | X |
| Influenza | X | X |
| Information | X | X |
| Insurance | | |
| On Campus Accident | X | X |
| Voluntary | X | X |
| Insurance Inquiry/Claim Administration | | |
| Laboratory Tests Done | | |
| Inquiry/Interpretation | | |
| Pap Smears | | |
| Physical Examinations | | |
| Employees | | |
| Students | | |
| 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: Tolafate, Cortisone, CTM, Pseudoephedrine HCE, Diphenhydramine Pediculosis Control, Cough Syrup, Lozenges | X | X |
| Parking Cards/Elevator Keys | | |
| Tokens | | |
| Return Card/Key | | |
| Parking Inquiry | | |
| Elevator Passes | | |
| Temporary Handicapped Parking Permits | | |

Fiscal Year

2003 - 2004

SixTen and Associates

Mandate Reimbursement Services

Keith B. PETERSEN, MPA, JD, President
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

Telephone: (858) 514-8605
Fax: (858) 514-8645
E-Mail: Kbpsixten@aol.com

December 13, 2004

CERTIFIED MAIL # 7003 1010 0003 2876 7418

Ms. Virginia Brummels, Section Manager
Local Reimbursement Section
Division of Accounting and Reporting
Office of the State Controller
P.O. Box 942850
Sacramento, CA 94250

RE: Annual Reimbursement Claims
State Center Community College District CC10225

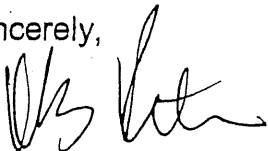
Dear Ms. Brummels:

Enclosed please find the original claims and extra copies of the FAM-27 for San Jose Unified School District's reimbursement claim listed below:

| | | |
|--------|------------------------------------|-----------|
| 448/75 | Mandate Reimbursement Process | 2003-2004 |
| 961/75 | Collective Bargaining | 2003-2004 |
| 1/84 | Health Fee Elimination | 2003-2004 |
| 641/86 | Open Meetings Act/Brown Act Reform | 2003-2004 |

If you have any questions regarding this claim, please contact me at (858) 514-8605.

Sincerely,



Keith B. Petersen

Claim File Copy

| | | |
|--|---|------------------------|
| CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 HEALTH FEE ELIMINATION | For State Controller Use only (19) Program Number 00234 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___ | Program 234 |
|--|---|------------------------|

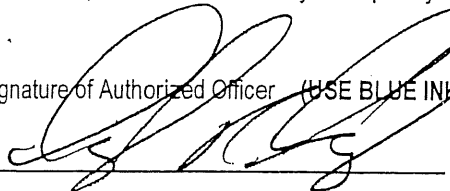
| | | | | |
|------------------------------------|--|--|---|---------|
| LABEL HERE | (01) Claimant Identification Number: CC10225 | | Reimbursement Claim Data | |
| | (02) Claimant Name: State Center Community College District | | (22) HFE-1.0, (04)(b) | 369,327 |
| | County of Location: Fresno | | (23) | |
| | Street Address: 1525 East Weldon Avenue | | (24) | |
| | City: Fresno | State: CA | Zip Code: 93704-6398 | (25) |
| | Type of Claim | Estimated Claim | Reimbursement Claim | (26) |
| | | (03) Estimated <input checked="" type="checkbox"/> | (09) Reimbursement <input checked="" type="checkbox"/> | (27) |
| | | (04) Combined <input type="checkbox"/> | (10) Combined <input type="checkbox"/> | (28) |
| | | (05) Amended <input type="checkbox"/> | (11) Amended <input type="checkbox"/> | (29) |
| | Fiscal Year of Cost | (06) 2004-2005 | (12) 2003-2004 | (30) |
| Total Claimed Amount | (07) \$ 406,000 | (13) \$ 369,327 | (31) | |
| Less: 10% Late Penalty | | (14) \$ - | (32) | |
| Less: Prior Claim Payment Received | | (15) \$ - | (33) | |
| Net Claimed Amount | | (16) \$ 369,327 | (34) | |
| Due from State | (08) \$ 406,000 | (17) \$ 369,327 | (35) | |
| Due to State | | (18) | (36) | |

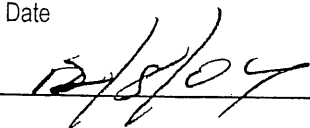
(37) CERTIFICATION OF CLAIM

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 1098, 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


Douglas R. Brinkley
 Type or Print Name

Vice Chancellor, Finance & Administration
 Title

(38) Name of Contact Person for Claim

_____ and Associates

Telephone Number: (858) 514-8605
 E-mail Address: kbpsixten@aol.com

| | |
|--|-------------------------|
| MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.0 |
|--|-------------------------|

| | | | | | | | |
|---|--|---------------|-------------------------------------|-------------|-----------|--------------------------|-----------|
| (01) Claimant: State Center 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. Fresno City College | \$213,843.27 |
| 2. Reedley College | \$155,483.42 |
| 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)] | \$ 369,327 |
|----------------------------------|---|-------------------|

| | | |
|------------------------------|--|-------------------------------|
| PROGRAM 234 | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.1 |
|------------------------------|--|-------------------------------|

| | | |
|---|--|--------------------------|
| (01) Claimant: State Center Community College District | (02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 2003-2004 |
|---|--|--------------------------|

(03) Name of College: Fresno City 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: 38.78% | Total |
|--|-------------|-----------------------------|------------|
| (05) Cost of Health Services for the Fiscal year of Claim | \$ 304,093 | \$ 117,927 | \$ 422,020 |
| (06) Cost of providing current fiscal year health services in excess of 1986/87 | \$ - | \$ - | \$ - |
| (07) Cost of providing current fiscal year health services at 1986/87 level [Line (05) - line (06)] | \$ 304,093 | \$ 117,927 | \$ 422,020 |

(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 | 2,819 | 8,297 | \$ 12.00 | \$ 33,828 | \$ 12.00 | \$ 99,564 | \$ 133,392 |
| 2. | Per Spring Semester | 2,396 | 8,358 | \$ 12.00 | \$ 28,752 | \$ 12.00 | \$ 100,296 | \$ 129,048 |
| 3. | Per Summer Session | 91 | 2,892 | \$ 9.00 | \$ 819 | \$ 9.00 | \$ 26,028 | \$ 26,847 |
| 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)) | \$ 200,537 |
| (10) Subtotal | [Line (07) - line (09)] | \$ 221,483 |

Cost Reduction

| | |
|--|---|
| (11) Less: Offsetting Savings, if applicable | \$ - |
| (12) Less: Other Reimbursements, if applicable | \$ 7,640.00 |
| (13) Total Amount Claimed | \$ 213,843 [Line (10) - {(line (11) + line (12))}] |

| | | |
|------------------------------|--|-------------------------------|
| PROGRAM 234 | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.2 |
|------------------------------|--|-------------------------------|

| | | | | |
|------|--|------|---|------------------------------|
| (01) | Claimant: State Center Community College District | (02) | Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 2003-2004 |
|------|--|------|---|------------------------------|

(03) Name of College: Reedley 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: 38.78% | Total |
|--|-------------|-----------------------------|------------|
| (05) Cost of Health Services for the Fiscal year of Claim | \$ 169,916 | \$ 65,893 | \$ 235,809 |
| (06) Cost of providing current fiscal year health services in excess of 1986/87 | \$ - | \$ - | \$ - |
| (07) Cost of providing current fiscal year health services at 1986/87 level [Line (05) - line (06)] | \$ 169,916 | \$ 65,893 | \$ 235,809 |

(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 | 1,933 | 3,865 | \$ 12.00 | \$ 23,196 | \$ 12.00 | \$ 46,380 | \$ 69,576 |
| 2. Per Spring Semester | 1,619 | 1,311 | \$ 12.00 | \$ 19,428 | \$ 12.00 | \$ 15,732 | \$ 35,160 |
| 3. Per Summer Session | 14 | 1,063 | \$ 9.00 | \$ 126 | \$ 9.00 | \$ 9,567 | \$ 9,693 |
| 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) | \$ 79,116 |
| (10) Subtotal | [Line (07) - line (09)] | \$ 156,693 |

Cost Reduction

| | |
|--|-------------|
| (11) Less: Offsetting Savings, if applicable | \$ - |
| (12) Less: Other Reimbursements, if applicable | \$ 1,210.00 |
| (13) Total Amount Claimed | \$ 155,483 |

[Line (10) - {(line (11) + line (12))}]

| | | |
|------------------------------|--|-----------------------------|
| Program 029 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | FORM HFE-2 |
|------------------------------|--|-----------------------------|

| | |
|--|--|
| (01) Claimant State Center 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 | X | X |
| College Physician, surgeon | | |
| Dermatology, Family practice | | |
| Internal Medicine | | |
| Outside Physician | X | X |
| Dental Services | | |
| Outside Labs, (X-ray, etc.) | | |
| 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 | | |
| Nutrition | X | X |
| Test Results, office | | |
| 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 | | |
| 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 | X | X |
| Substance Abuse Identification and Counseling | X | X |
| Eating Disorders | X | X |
| Weight Control | X | X |
| Personal Hygiene | X | X |
| Burnout | X | X |
| Other Medical: Hypertension, Cardio-Vascular, Seizure Disorders, Pulmonary | | |
| 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 | X | X |
| Child Abuse | X | X |

| | | |
|------------------------|--|-----------------------|
| Program 029 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | FORM HFE-2 |
|------------------------|--|-----------------------|

| | |
|--|--|
| (01) Claimant State Center Community College District | (02) Fiscal Year costs were incurred: 2003-2004 |
|--|--|

| (03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year. | (a) FY 1986/87 | (b) FY of Claim |
|--|----------------------|-----------------------|
| Birth Control/Family Planning | X | X |
| Stop Smoking | X | X |
| Library, Videos and Cassettes | X | X |
| First Aid, Major Emergencies | X | X |
| First Aid, Minor Emergencies | X | X |
| First Aid Kits, Filled | X | X |
| Immunizations | | |
| Diphtheria/Tetanus | | |
| Measles/Rubella | X | X |
| Influenza | X | X |
| Information | X | X |
| Insurance | | |
| On Campus Accident | X | X |
| Voluntary | X | X |
| Insurance Inquiry/Claim Administration | | |
| Laboratory Tests Done | | |
| Inquiry/Interpretation | | |
| Pap Smears | | |
| Physical Examinations | | |
| Employees | | |
| Students | | |
| 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-->Toinaftatge, Cortisone, CTM, Pseudoephedrina HCE, Lozenges, Diphenhydramine, Pediculosis Control, Cough Syrup | X | X |
| Parking Cards/Elevator Keys | | |
| Tokens | | |
| Return Card/Key | | |
| Parking Inquiry | | |
| Elevator Passes | | |
| Temporary Handicapped Parking Permits | | |

| | | |
|------------------------------|--|-----------------------------|
| Program 029 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | FORM HFE-2 |
|------------------------------|--|-----------------------------|

| | |
|--|--|
| (01) Claimant State Center 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 |
|--|----------------------|-----------------------|
| 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 | | |
| Urinalysis | X | X |
| Hemoglobin | | |
| EKG | | |
| Strep A Testing | | |
| PG Testing | | |
| Monospot | | |
| Hemacult | | |
| Others, list | | |
| Miscellaneous | | |
| Absence Excuses/PE Waiver | X | X |
| Allergy Injections | | |
| 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 | | |
| Others, list | | |
| Committees | | |
| Safety | X | X |
| Environmental | | |
| Disaster Planning | | |
| Skin Rash Preparations | | |
| Eye Drops | | |

Fiscal Year

2004 - 2005

SixTen and Associates

Mandate Reimbursement Services

B. PETERSEN, MPA, JD, President
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

Telephone: (858) 514-8605
Fax: (858) 514-8645
E-Mail: Kbpsixten@aol.com

Claim File Copy

December 5, 2005

CERTIFIED MAIL # 7004 2510 0004 4007 0596

Ms. Virginia Brummels, Section Manager
Local Reimbursement Section
Division of Accounting and Reporting
Office of the State Controller
P.O. Box 942850
Sacramento, CA 94250

RE: Annual Reimbursement Claim
State Center Community College District CC10225

Dear Ms. Brummels:

Enclosed please find the original claim and extra copy of the FAM-27 for State Center Community College's reimbursement claim listed below:

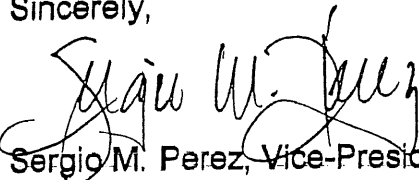
1/84

Health Fee Elimination

2004-2005

If you have any questions regarding this claim, please contact me at (858) 514-8605.

Sincerely,



Sergio M. Perez, Vice-President
Claims Processing Manager

| | | |
|--|---|-----------------------|
| CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 HEALTH FEE ELIMINATION | For State Controller Use only (19) Program Number 00234 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___ | Program 234 |
|--|---|-----------------------|

LABEL HERE

| | | | |
|---|--|--|---------|
| (01) Claimant Identification Number: CC 10225 | | Reimbursement Claim Data | |
| (02) Claimant Name: State Center Community College District | | (22) HFE-1.0, (04)(b) | 395,163 |
| County of Location: Fresno | | (23) | |
| Street Address: 1525 East Weldon Avenue | | (24) | |
| City: Fresno | State: CA | Zip Code: 93704-6398 | (25) |
| Type of Claim | Estimated Claim | Reimbursement Claim | (26) |
| | (03) Estimated <input checked="" type="checkbox"/> | (09) Reimbursement <input checked="" type="checkbox"/> | (27) |
| | (04) Combined <input type="checkbox"/> | (10) Combined <input type="checkbox"/> | (28) |
| | (05) Amended <input type="checkbox"/> | (11) Amended <input type="checkbox"/> | (29) |
| Fiscal Year of Cost | (06) 2005-2006 | (12) 2004-2005 | (30) |
| Total Claimed Amount | (07) \$ 434,000 | (13) \$ 395,163 | (31) |
| Less: 10% Late Penalty | | (14) \$ - | (32) |
| Prior Claim Payment Received | | (15) \$ - | (33) |
| Net Claimed Amount | | (16) \$ 395,163 | (34) |
| Due from State | (08) \$ 434,000 | (17) \$ 395,163 | (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 1098, 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 11/22/05

Douglas R. Brinkley Vice Chancellor, Finance & Administration
 Type or Print Name Title

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

| | |
|--|-------------------------|
| MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.0 |
|--|-------------------------|

| | | |
|---|--|------------------------------|
| (01) Claimant: State Center Community College District | (02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 2004-2005 |
|---|--|------------------------------|

(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. Fresno City College | \$239,941.07 |
| 2. Reedly College | \$155,222.25 |
| 3. | |
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| 20. | |
| 21. | |

| | | |
|----------------------------------|---|-------------------|
| (04) Total Amount Claimed | [Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)] | \$ 395,163 |
|----------------------------------|---|-------------------|

| | | |
|----------------|--|-------------------------------|
| PROGRAM | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.1 |
|----------------|--|-------------------------------|

| | | |
|---|--|--------------------------|
| 1) Claimant: State Center Community College District | (02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 2004-2005 |
|---|--|--------------------------|

3) Name of College: Fresno City College

4) 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 owed.

LESS SAME MORE

| | Direct Cost | Indirect Cost of: 36.50% | Total |
|--|-------------|-----------------------------|------------|
| 5) Cost of Health Services for the Fiscal year of Claim | \$ 351,918 | \$ 128,450 | \$ 480,368 |
| 6) Cost of providing current fiscal year health services in excess of 1986/87 | \$ - | \$ - | \$ - |
| 7) Cost of providing current fiscal year health services at 1986/87 level [Line (05) - line (06)] | \$ 351,918 | \$ 128,450 | \$ 480,368 |

8) 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) |
|---------------------|-------------------------------------|-------------------------------------|--|--|--|--|---|
| Per Fall Semester | | | | \$ - | | \$ - | \$ - |
| Per Spring Semester | | | | \$ - | | \$ - | \$ - |
| Per Summer Session | | | | \$ - | | \$ - | \$ - |
| Per First Quarter | | | | \$ - | | \$ - | \$ - |
| Per Second Quarter | | | | \$ - | | \$ - | \$ - |
| Per Third Quarter | | | | \$ - | | \$ - | \$ - |

| | | |
|---|--|------------|
| 9) Total health fee that could have been collected: | The sum of (Line (08)(1)(c) through line (08)(6)(c)) | \$ 236,982 |
| 10) Subtotal | [Line (07) - line (09)] | \$ 243,386 |

Cost Reduction

| | | |
|---|---------------------------------------|-------------|
| 11) Offsetting Savings, if applicable | | \$ - |
| 12) Less: Other Reimbursements, if applicable | | \$ 3,445.00 |
| 13) Total Amount Claimed | [Line (10) - {line (11) + line (12)}] | \$ 239,941 |

| | | |
|----------------|--|-------------------------------|
| PROGRAM | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.2 |
|----------------|--|-------------------------------|

| | | |
|--|--|--------------------------|
| (1) Claimant: State Center Community College District | (02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 2004-2005 |
|--|--|--------------------------|

3) Name of College: Reedly College

14) 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 checked="" type="checkbox"/> | MORE <input type="checkbox"/> |
|----------------------------------|---|----------------------------------|

| | Direct Cost | Indirect Cost of: 36.50% | Total |
|--|-------------|-----------------------------|------------|
| 5) Cost of Health Services for the Fiscal year of Claim | \$ 184,313 | \$ 67,274 | \$ 251,587 |
| 3) Cost of providing current fiscal year health services in excess of 1986/87 | \$ - | \$ - | \$ - |
| 7) Cost of providing current fiscal year health services at 1986/87 level [Line (05) - line (06)] | \$ 184,313 | \$ 67,274 | \$ 251,587 |

3) 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) |
|---------------------|-------------------------------------|-------------------------------------|---|--|---|--|---|
| Per Fall Semester | | | | \$ - | | \$ - | \$ - |
| Per Spring Semester | | | | \$ - | | \$ - | \$ - |
| Per Summer Session | | | | \$ - | | \$ - | \$ - |
| Per First Quarter | | | | \$ - | | \$ - | \$ - |
| Per Second Quarter | | | | \$ - | | \$ - | \$ - |
| Per Third Quarter | | | | \$ - | | \$ - | \$ - |

| | | |
|--|---|------------|
|) Total health fee that could have been collected: | The sum of (Line (08)(1)(c) through line (08)(6)(c) | \$ 95,645 |
|) Subtotal | [Line (07) - line (09)] | \$ 155,942 |

Cost Reduction

| | | |
|---|---------------------------------------|------------|
|) Offsetting Savings, if applicable | | \$ - |
|) Less: Other Reimbursements, if applicable | | \$ 720.00 |
| Total Amount Claimed | [Line (10) - {line (11) + line (12)}] | \$ 155,222 |

| | | |
|------------------------|--|-----------------------|
| Program 029 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | FORM HFE-2 |
|------------------------|--|-----------------------|

| | |
|--|--|
| (01) Claimant State Center Community College District | (02) Fiscal Year costs were incurred: 2004-2005 |
|--|--|

| (03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year. | (a) FY 1986/87 | (b) FY of Claim |
|--|----------------------|-----------------------|
| Accident Reports | X | X |
| Appointments | X | X |
| College Physician, surgeon | | |
| Dermatology, Family practice | | |
| Internal Medicine | | |
| Outside Physician | X | X |
| Dental Services | | |
| Outside Labs, (X-ray, etc.,) | | |
| 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 | | |
| Nutrition | X | X |
| Test Results, office | | |
| 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 | | |
| 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 | X | X |
| 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 | X | X |
| Child Abuse | X | X |

| Program 029 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | | FORM HFE-2 | |
|--|--|---|---|--|
| (01) Claimant State Center Community College District | | (02) Fiscal Year costs were incurred: 2004-2005 | | |
| (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 X X | |
| Immunizations Diphtheria/Tetanus Measles/Rubella Influenza Information | | X X X | X X X | |
| Insurance On Campus Accident Voluntary Insurance Inquiry/Claim Administration | | X X | X X | |
| Laboratory Tests Done Inquiry/Interpretation Pap Smears | | | | |
| Physical Examinations Employees Students Athletes | | X | X | |
| Medications Antacids Antidiarrheal Aspirin, Tylenol, etc., Skin Rash Preparations Eye Drops Ear Drops Toothache, oil cloves Stingkill Midol, Menstrual Cramps Other, list--> Tolnaftate, Cortisone, CTM, Pseudoephedrine HCE, Diphenhydramine, Pediculosis Control, Cough Syrup, Lozenges | | X X X 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 | | | | |

| Program 029 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | FORM HFE-2 | |
|--|--|--|-----------------------|
| (01) Claimant State Center Community College District | | (02) Fiscal Year costs were incurred: 2004-2005 | |
| (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 | | | |
| 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 | | | |
| Glucometer | | X | X |
| Urinalysis | | | |
| Hemoglobin | | | |
| EKG | | | |
| Strep A Testing | | | |
| PG Testing | | | |
| Monospot | | | |
| Hemacult | | | |
| Others, list | | | |
| Miscellaneous | | | |
| Absence Excuses/PE Waiver | | X | X |
| Allergy Injections | | | |
| 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 | | | |
| Others, list | | | |
| Committees | | | |
| Safety | | X | X |
| Environmental | | | |
| Disaster Planning | | | |

Fiscal Year

2005 - 2006

Sixten and Associates Mandate Reimbursement Services

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

December 17, 2007

CERTIFIED MAIL #7006 3450 0000 3941 8659

Ms. Virginia Brummels, Section Manager
Local Reimbursement Section
Division of Accounting and Reporting
Office of the State Controller
P.O. Box 942850
Sacramento, CA 94250

Claim File Copy

RE: Annual Reimbursement Claims
State Center Community College District CC10225

Dear Ms. Brummels:

Enclosed please find the original claims and extra copies of the FAM-27 for State Center Community College District's reimbursement claims listed below:

| | | |
|--------|----------------------------------|-----------|
| 961/75 | Collective Bargaining | 2006-2007 |
| 1/84 | Health Fee Elimination (Amended) | 2005-2006 |
| 1/84 | Health Fee Elimination | 2006-2007 |

If you have any questions regarding these claims, please contact me at (858) 514-8605.

Sincerely,

Keith B. Petersen
for Keith B. Petersen, President

| | | |
|--|---|------------------------|
| CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 HEALTH FEE ELIMINATION | For State Controller Use only (19) Program Number 00234 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___ | Program 234 |
|--|---|------------------------|

| | | | | |
|---|---|--|---|---------|
| LABEL HERE | (01) Claimant Identification Number: CC 10225 | | Reimbursement Claim Data | |
| | (02) Claimant Name State Center Community College District | | (22) HFE-1.0, (04)(b) | 696,789 |
| | (03) County of Location Fresno | | (23) | |
| | (04) Street Address 1525 East Weldon Avenue | | (24) | |
| | (05) City Fresno | (06) State CA | (07) Zip Code 93704-6398 | (25) |
| | Type of Claim | Estimated Claim | Reimbursement Claim | (26) |
| | | (03) Estimated <input type="checkbox"/> | (09) Reimbursement <input type="checkbox"/> | (27) |
| | (04) Combined <input type="checkbox"/> | (10) Combined <input type="checkbox"/> | (28) | |
| | (05) Amended <input type="checkbox"/> | (11) Amended <input checked="" type="checkbox"/> | (29) | |
| (08) Fiscal Year of Cost | (06) | (12) 2005-2006 | (30) | |
| (09) Total Claimed Amount | (07) | (13) \$ 696,789 | (31) | |
| (10) Less: 10% Late Penalty, not to exceed \$10,000 | | (14) \$ 10,000 | (32) | |
| (11) Less: Prior Claim Payment Received | | (15) \$ - | (33) | |
| (12) Net Claimed Amount | | (16) \$ 686,789 | (34) | |
| (13) Due from State | (08) | (17) \$ 686,789 | (35) | |
| (14) 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 1098, 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

Douglas R. Brinkley

Vice Chancellor, Finance and Administration

Type or Print Name

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.0**

| | |
|---|--|
| (01) Claimant: State Center Community College District | (02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> Fiscal Year 2005-2006 |
|---|--|

(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. Fresno City College | \$471,798.06 |
| 2. Reedly College | \$224,990.98 |
| 3. | |
| 4. | |
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| 15. | |
| 16. | |
| 17. | |
| 18. | |
| 19. | |
| | |
| | |
| 21. | |
| (04) Total Amount Claimed | [Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)] \$ 696,789 |

| | | |
|------------------------------|--|-------------------------------|
| PROGRAM 234 | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.1 |
|------------------------------|--|-------------------------------|

| | | |
|---|--|--------------------------|
| (01) Claimant: State Center Community College District | (02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 2005-2006 |
|---|--|--------------------------|

(03) Name of College: Fresno City 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: 36.50% | Total |
|--|-------------|-----------------------------|------------|
| (05) Cost of Health Services for the Fiscal year of Claim | \$ 527,644 | \$ 192,590 | \$ 720,234 |
| (06) Cost of providing current fiscal year health services in excess of 1986/87 | \$ - | \$ - | \$ - |
| (07) Cost of providing current fiscal year health services at 1986/87 level [Line (05) - line (06)] | \$ 527,644 | \$ 192,590 | \$ 720,234 |

(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 | | | | \$ - | | \$ - | \$ - |

| | | |
|--|--|------------|
| 39) Total health fee that could have been collected: | The sum of (Line (08)(1)(c) through line (08)(6)(c)) | \$ 239,766 |
| 10) Subtotal | [Line (07) - line (09)] | \$ 480,468 |

Cost Reduction

| | |
|--|-------------|
| 1) Less: Offsetting Savings, if applicable | \$ 8,670.00 |
| 2) Other Reimbursements, if applicable | \$ - |
| 3) Total Amount Claimed | \$ 471,798 |

| | | |
|------------------------------|--|-------------------------------|
| PROGRAM 234 | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.1 |
|------------------------------|--|-------------------------------|

| | | |
|---|--|--------------------------|
| (01) Claimant: State Center Community College District | (02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 2005-2006 |
|---|--|--------------------------|

(03) Name of College: Reedly 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: 36.50% | Total |
|--|-------------|-----------------------------|------------|
| (05) Cost of Health Services for the Fiscal year of Claim | \$ 238,315 | \$ 86,985 | \$ 325,300 |
| (06) Cost of providing current fiscal year health services in excess of 1986/87 | \$ - | \$ - | \$ - |
| (07) Cost of providing current fiscal year health services at 1986/87 level [Line (05) - line (06)] | \$ 238,315 | \$ 86,985 | \$ 325,300 |

(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) |
|---------------------|-------------------------------------|-------------------------------------|---|--|---|--|---|
| Per Fall Semester | | | | \$ - | | \$ - | \$ - |
| Per Spring Semester | | | | \$ - | | \$ - | \$ - |
| Per Summer Session | | | | \$ - | | \$ - | \$ - |
| Per First Quarter | | | | \$ - | | \$ - | \$ - |
| Per Second Quarter | | | | \$ - | | \$ - | \$ - |
| Per Third Quarter | | | | \$ - | | \$ - | \$ - |

| | | |
|--|--|------------|
| (9) Total health fee that could have been collected: | The sum of (Line (08)(1)(c) through line (08)(6)(c)) | \$ 98,929 |
| (0) Subtotal | [Line (07) - line (09)] | \$ 226,371 |

Cost Reduction

| | |
|--|-------------|
| 1) Less: Offsetting Savings, if applicable | \$ 1,380.00 |
| 2) Other Reimbursements, if applicable | \$ - |
| 3) Total Amount Claimed | \$ 224,991 |

| Program 234 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | | FORM HFE-2 |
|--|--|-----------------------|-----------------------------|
| (01) Claimant State Center Community College District | (02) Fiscal Year costs were incurred: 2005-2006 | | |
| (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 | | | |
| Dermatology, Family practice | | | |
| Internal Medicine | | | |
| Outside Physician | X | X | |
| Dental Services | | | |
| Outside Labs, (X-ray, etc.,) | | | |
| 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 | | | |
| Nutrition | X | X | |
| Test Results, office | | | |
| 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 | | | |
| 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 | X | X | |
| Substance Abuse Identification and Counseling | X | X | |
| Acquired Immune Deficiency Syndrome | 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 | X | X | |
| Child Abuse | X | X | |

| | | |
|------------------------|--|-----------------------|
| Program 234 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | FORM HFE-2 |
|------------------------|--|-----------------------|

| | |
|--|--|
| (01) Claimant State Center Community College District | (02) Fiscal Year costs were incurred: 2005-2006 |
|--|--|

| (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 | X | X |
| Immunizations | | |
| Diphtheria/Tetanus | | |
| Measles/Rubella | X | X |
| Influenza | X | X |
| Information | X | X |
| Insurance | | |
| On Campus Accident | X | X |
| Voluntary | X | X |
| Insurance Inquiry/Claim Administration | | |
| Laboratory Tests Done | | |
| Inquiry/Interpretation | | |
| Pap Smears | | |
| Physical Examinations | | |
| Employees | | |
| Students | | |
| 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, (Tolnaftate, Cortisone, CTM, Pseudoephedrine HCE, Diphenhydramine Pediculosis Control, Cough Syrup, Lozenges) | X | X |
| Parking Cards/Elevator Keys | | |
| Tokens | | |
| Return Card/Key | | |
| Parking Inquiry | | |
| Elevator Passes | | |
| Temporary Handicapped Parking Permits | | |

Fiscal Year

2006 - 2007

Sixteen and Associates Mandate Reimbursement Services

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

Claim File Copy

December 17, 2007

CERTIFIED MAIL #7006 3450 0000 3941 8659

Ms. Virginia Brummels, Section Manager
Local Reimbursement Section
Division of Accounting and Reporting
Office of the State Controller
P.O. Box 942850
Sacramento, CA 94250

RE: Annual Reimbursement Claims
State Center Community College District CC10225


Dear Ms. Brummels:

Enclosed please find the original claims and extra copies of the FAM-27 for State Center Community College District's reimbursement claims listed below:

| | | |
|--------|----------------------------------|-----------|
| 961/75 | Collective Bargaining | 2006-2007 |
| 1/84 | Health Fee Elimination (Amended) | 2005-2006 |
| 1/84 | Health Fee Elimination | 2006-2007 |

If you have any questions regarding these claims, please contact me at (858) 514-8605.

Sincerely,


for Keith B. Petersen, President

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

For State Controller Use only
(19) Program Number 00234
(20) Date Filed ___/___/___
(21) LRS Input ___/___/___

Program
234

| | | | | | |
|---|---|----------------|---------------------------------|------|-----------------------|
| L A B E L H E R E | (01) Claimant Identification Number: CC 10225 | | Reimbursement Claim Data | | |
| | (02) Claimant Name: State Center Community College District | | | | (22) HFE-1.0, (04)(b) |
| | (03) County of Location: Fresno | | (23) | | |
| | (04) Street Address: 1525 East Weldon Avenue | | (24) | | |
| | (05) City: Fresno | (06) State: CA | (07) Zip Code: 93704-6398 | (25) | |

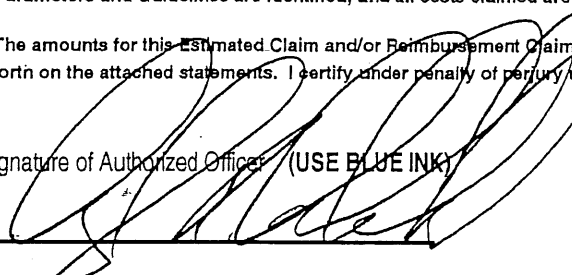
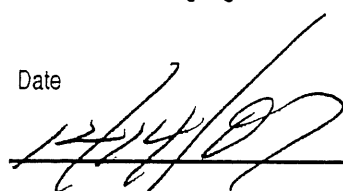
| Type of Claim | Estimated Claim | Reimbursement Claim | |
|---|--|--|------|
| | (03) Estimated <input checked="" type="checkbox"/> | (09) Reimbursement <input checked="" type="checkbox"/> | (26) |
| | (04) Combined <input type="checkbox"/> | (10) Combined <input type="checkbox"/> | (27) |
| | (05) Amended <input type="checkbox"/> | (11) Amended <input type="checkbox"/> | (28) |
| | | | (29) |
| Fiscal Year of Cost | (06) 2007-2008 | (12) 2006-2007 | (30) |
| Total Claimed Amount | (07) \$ 210,000 | (13) \$ 191,257 | (31) |
| Less: 10% Late Penalty, not to exceed \$10,000 | | (14) \$ - | (32) |
| Less: Prior Claim Payment Received | | (15) \$ 231,815 | (33) |
| Net Claimed Amount | | (16) \$ (40,558) | (34) |
| Due from State | (08) \$ 210,000 | (17) | (35) |
| Due to State | | (18) \$ 40,558 | (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 1098, 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 

Douglas R. Brinkley Vice Chancellor, Finance and Administration
Type or Print Name Title

(38) Name of Contact Person for Claim: sixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

*Row
F.4.1.
cecilia*

DETACH ON DOTTED LINE
KEEP THIS PORTION FOR YOUR RECORDS

60-180797

ISSUE DATE: 03/12/2007

ISSUE DATE: 03/12/2007

CLAIM SCHEDULE NBR: MA64147E

REIMBURSEMENT OF STATE MANDATED COSTS

PLEASE CALL GWEN @916-3242341 FOR QUERIES ABOUT THIS CLAIM.

ACL : CH 1/84

PROG : HEALTH FEE ELIMINATION (CC)

2006/2007 ESTIMATED PAYMENT CLAIMED AMT: 400,000.00

TOTAL ADJUSTMENTS: .00

TOTAL APPROVED CLAIMED AMT: 400,000.00

LESS PRIOR PAYMENTS: .00

PRORATA PERCENT: 57.953835

PRORATA BALANCE DUE: 168,185.00-

APPROVED PAYMENT AMOUNT: 231,815.00

PAYMENT OFFSETS -NONE

NET PAYMENT AMOUNT: 231,815.00

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK - VIEW AT AN ANGLE

STATE OF CALIFORNIA 60-180797

WARRANT NUMBER



H THE TREASURER OF THE STATE WILL PAY OUT OF THE IDENTIFICATION NO.

CC10225

6870

FUND NO. FUND NAME
0001 GENERAL FUND

MO. DAY YR.
03 12 2007

90-1342/1211
60180797

TO: 180797

TREASURER
STATE CENTER COMM COLL DIST
FRESNO COUNTY
1525 E WELDON
FRESNO CA 93704

DOLLARS CENTS
\$ 231,815.00

John Chiang
JOHN CHIANG
CALIFORNIA STATE CONTROLLER



FORM CD-65 (1-99) CONTROLLER'S WARRANT

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.0**

(01) Claimant:

State Center Community College District

(02) Type of Claim:
Reimbursement
Estimated
Fiscal Year
2006-2007

(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. Fresno City College | \$ 58,641 |
| 2. Reedley College | \$ 132,616 |
| 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)] **\$ 191,257**

| | | |
|------------------------------|--|-------------------------------|
| PROGRAM 334 | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.1 |
|------------------------------|--|-------------------------------|

| | | |
|---|--|---------------------------|
| (01) Claimant: State Center Community College District | (02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year: 2006-2007 |
|---|--|---------------------------|

(03) Name of College: Fresno City 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: 36.50% | Total |
|--|-------------|-----------------------------|------------|
| (05) Cost of Health Services for the Fiscal year of Claim | \$ 514,359 | \$ 187,741 | \$ 702,100 |
| (06) Cost of providing current fiscal year health services in excess of 1986/87 | \$ - | \$ - | \$ - |
| (07) Cost of providing current fiscal year health services at 1986/87 level [Line (05) - line (06)] | \$ 514,359 | \$ 187,741 | \$ 702,100 |

(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)) | \$ 636,054 |
| (10) Subtotal | [Line (07) - line (09)] | \$ 66,046 |

Cost Reduction

| | |
|--|-----------|
| (11) Less: Offsetting Savings, if applicable | \$ 7,405 |
| (12) Less: Other Reimbursements, if applicable | |
| (13) Total Amount Claimed | \$ 58,641 |

| | | |
|-----------------------|--|-------------------------------|
| PROGRAM 234 | MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY | FORM HFE-1.1 |
|-----------------------|--|-------------------------------|

| | | |
|---|--|--------------------------|
| (01) Claimant: State Center Community College District | (02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/> | Fiscal Year 2006-2007 |
|---|--|--------------------------|

(03) Name of College: Reedley 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: 36.50% | Total |
|--|-------------|-----------------------------|------------|
| (05) Cost of Health Services for the Fiscal year of Claim | \$ 279,268 | \$ 101,933 | \$ 381,201 |
| (06) Cost of providing current fiscal year health services in excess of 1986/87 | \$ - | \$ - | \$ - |
| (07) Cost of providing current fiscal year health services at 1986/87 level [Line (05) - line (06)] | \$ 279,268 | \$ 101,933 | \$ 381,201 |

(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)) | \$ 247,170 |
| (10) Subtotal | [Line (07) - line (09)] | \$ 134,031 |

Cost Reduction

| | |
|--|------------|
| (11) Less: Offsetting Savings, if applicable | \$ 1,415 |
| (12) Less: Other Reimbursements, if applicable | |
| (13) Total Amount Claimed | \$ 132,616 |

| Program 234 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | FORM HFE-2 | |
|--|--|--|-----------------------|
| (01) Claimant State Center Community College District | | (02) Fiscal Year costs were incurred: 2006-2007 | |
| (03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year. | | (a) FY 1986/87 | (b) FY of Claim |
| Accident Reports | | X | X |
| Appointments | | X | X |
| College Physician, surgeon | | | |
| Dermatology, Family practice | | | |
| Internal Medicine | | | |
| Outside Physician | | X | X |
| Dental Services | | | |
| Outside Labs, (X-ray, etc.) | | | |
| 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 | | | |
| Nutrition | | X | X |
| Test Results, office | | | |
| 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 | | | |
| 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 | | X | X |
| Substance Abuse Identification and Counseling | | X | X |
| Acquired Immune Deficiency Syndrome | | 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 | | X | X |
| Child Abuse | | X | X |

| | | |
|------------------------------|--|-----------------------------|
| Program 234 | MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL | FORM HFE-2 |
|------------------------------|--|-----------------------------|

| | |
|--|--|
| (01) Claimant State Center Community College District | (02) Fiscal Year costs were incurred: 2006-2007 |
|--|--|

| (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 | X | X |
| Immunizations | | |
| Diphtheria/Tetanus | | |
| Measles/Rubella | X | X |
| Influenza | X | X |
| Information | X | X |
| Insurance | | |
| On Campus Accident | X | X |
| Voluntary | X | X |
| Insurance Inquiry/Claim Administration | | |
| Laboratory Tests Done | | |
| Inquiry/Interpretation | | |
| Pap Smears | | |
| Physical Examinations | | |
| Employees | | |
| Students | | |
| 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--> | X | X |
| Parking Cards/Elevator Keys | | |
| Tokens | | |
| Return Card/Key | | |
| Parking Inquiry | | |
| Elevator Passes | | |
| Temporary Handicapped Parking Permits | | |

