

# SixTen and Associates Mandate Reimbursement Services

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February 4, 2009

**RECEIVED**

FEB 05 2009

**COMMISSION ON  
STATE MANDATE**

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

RE: Health Fee Elimination  
Fiscal Years: 2002-03 through 2004-05  
Incorrect Reduction Claim

Dear Ms. Higashi:

Enclosed is the original and two copies of the above referenced incorrect reduction claim for Los Rios 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:

Jon Sharpe, Deputy Chancellor  
Los Rios Community College District  
1919 Spanos Court  
Sacramento, CA 95825-3981

Thank you.

Sincerely,



Keith B. Petersen

# COMMISSION ON STATE MANDATES

## 1. INCORRECT REDUCTION CLAIM TITLE

1/84, 1118/87 Health Fee Elimination

## 2. CLAIMANT INFORMATION

Los Rios Community College District

Jon Sharpe  
Deputy Chancellor  
1919 Spanos Court  
Sacramento, CA 95825-3981  
Voice: 916-568-3058  
Fax: 916-568-3078  
E-Mail: SharpeJ@losrios.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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**COMMISSION ON  
STATE MANDATES**

IRC #:

## 4. IDENTIFICATION OF STATUTES OR EXECUTIVE ORDERS

Statutes of 1984, Chapter 1, 2<sup>nd</sup> E.S.  
Statutes of 1987, Chapter 1118

## 5. AMOUNT OF INCORRECT REDUCTION

<u>Fiscal Year</u>	<u>Amount of Reduction</u>
2002-03	\$814,928
2003-04	\$865,621
2004-05	\$874,066
TOTAL:	\$2,554,615

## 6. NOTICE OF INTENT TO CONSOLIDATE

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

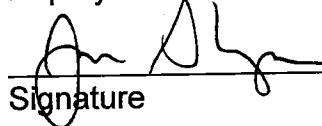
Sections 7-15 are attached as follows:

7. Written Detailed Narrative:	Pages 1 to 27
8. SCO Results of Review Letters:	Exhibit <u>A</u>
9. Parameters and Guidelines:	Exhibit <u>B</u>
10. Claiming Instructions:	Exhibit <u>C</u>
11. SCO Audit Report:	Exhibit <u>D</u>
12. January 22, 2007 email:	Exhibit <u>E</u>
13. CCC Budget & Accounting Manual, Ch. 4, 2000 ed.	Exhibit <u>F</u>
14. CCCCCO Health Fee letter:	Exhibit <u>G</u>
15. Annual Reimbursement Claims:	Exhibit <u>H</u>

## 16. 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.

Jon Sharpe  
Deputy Chancellor

  
Signature

1/29/09  
Date

OK

1 Claim Prepared by:  
2 Keith B. Petersen  
3 SixTen and Associates  
4 3841 North Freeway Blvd., Suite 170  
5 Sacramento, California 95834  
6 Voice: (916) 565-6104  
7 Fax: (916) 564-6103  
8 E-mail: Kbpsixten@aol.com  
9

10 BEFORE THE

11 COMMISSION ON STATE MANDATES

12 STATE OF CALIFORNIA

13 INCORRECT REDUCTION CLAIM OF: )

) No. CSM \_\_\_\_\_

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

18 **LOS RIOS** )  
19 **Community College District,** )

) Education Code Section 76355

21 Claimant. )

**Health Fee Elimination**

) Annual Reimbursement Claims:

) Fiscal Year 2002-2003

) Fiscal Year 2003-2004

) Fiscal Year 2004-2005

28 \_\_\_\_\_ )  
29 INCORRECT REDUCTION CLAIM FILING

30 PART I. AUTHORITY FOR THE CLAIM

31 The Commission on State Mandates has the authority pursuant to Government  
32 Code Section 17551(d) “. . . to hear and decide upon a claim by a local agency or  
33 school district filed on or after January 1, 1985, that the Controller has incorrectly  
34 reduced payments to the local agency or school district pursuant to paragraph (2) of  
35 subdivision (d) of Section 17561.” Los Rios Community College District (hereafter  
36 “District” or “Claimant”) is a school district as defined in Government Code Section

Incorrect Reduction Claim of Los Rios Community College District  
1/84,1118/87 Health Fee Elimination

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1 17519.<sup>1</sup> Title 2, CCR, Section 1185 (a), requires claimants to file an incorrect reduction  
2 claim with the Commission.

3 This incorrect reduction claim is timely filed. Title 2, CCR, Section 1185 (b),  
4 requires incorrect reduction claims to be filed no later than three years following the  
5 date of the Controller's remittance advice notifying the claimant of a reduction. A  
6 Controller's audit report dated May 21, 2008, has been issued. The audit report  
7 constitutes a demand for repayment and adjudication of the claim. The Claimant also  
8 received three result of review letters dated May 30, 2008. Copies of these letters are  
9 attached as Exhibit "A."

10 There is no alternative dispute resolution process available from the Controller's  
11 office. The audit report states that an Incorrect Reduction Claim should be filed with the  
12 Commission if the claimant disagrees with the findings.

13 PART II. SUMMARY OF THE CLAIM

14 The Controller has conducted a field audit of the District's annual reimbursement  
15 claims for the actual costs of complying with the legislatively mandated Health Fee  
16 Elimination Program (Chapter 1, Statutes of 1984, 2<sup>nd</sup> Extraordinary Session and  
17 Chapter 1118, Statutes of 1987) for the period of July 1, 2002 through June 30, 2005.  
18 As a result of the audit, the Controller determined that none of the claimed costs were

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<sup>1</sup> 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 Los Rios Community College District  
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1 allowable:

2	<u>Fiscal</u>	<u>Amount</u>	<u>Audit</u>	<u>SCO</u>	<u>Amount Due</u>
3	<u>Year</u>	<u>Claimed</u>	<u>Adjustment</u>	<u>Payments</u>	<u>&lt;State&gt;</u>
4	2002-03	\$814,928	\$814,928	\$814,928	<\$814,928>
5	2003-04	\$865,621*	\$865,621	\$0	\$0
6	2004-05	<u>\$874,066</u>	<u>\$874,066</u>	<u>\$0</u>	<u>\$0</u>
7	Totals	\$2,554,615	\$2,554,615	\$814,928	<\$814,928>

8 \* Net amount claimed after \$1,000 late filing penalty

9 PART III. PREVIOUS INCORRECT REDUCTION CLAIMS

10 On September 9, 2005, the District filed an incorrect reduction claim for fiscal  
 11 years 1997-98, 1998-99, 1999-00, 2000-01, and 2001-02 for this mandate. The District  
 12 is not aware of any incorrect reduction claims having been adjudicated on the specific  
 13 issues or subject matter raised by this incorrect reduction claim.

14 PART IV. BASIS FOR REIMBURSEMENT

15 1. Mandate Legislation

16 Chapter 1, Statutes of 1984, 2<sup>nd</sup> Extraordinary Session, repealed Education  
 17 Code Section 72246 and added new Education Code Section 72246, which authorized  
 18 community college districts to charge a student health services fee for the purposes of  
 19 providing health supervision and services, and operating student health centers. This  
 20 statute also required that the scope of student health services provided by any  
 21 community college district during the 1983-84 fiscal year be maintained at that level in  
 22 the 1984-85 fiscal year and every year thereafter. The provisions of this statute were to

**Incorrect Reduction Claim of Los Rios Community College District  
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1 automatically repeal on December 31, 1987.

2 Chapter 1118, Statutes of 1987, Section 4, amended Education Code Section  
3 72246 to require any community college district that provided student health services in  
4 fiscal year 1986-87 to maintain student health services at that level in 1987-88 and  
5 each fiscal year thereafter.

6 Chapter 753, Statutes of 1992, Section 2, amended Education Code Section  
7 72246 to increase the maximum fee that community college districts were permitted to  
8 charge for student health service. This statute also provided for future increases in the  
9 amount of the authorized fees that were linked to the Implicit Price Deflator for State  
10 and Local Government Purchase of Goods and Services.

11 Chapter 8, Statutes of 1993, repealed Education Code Section 72246, and  
12 added Education Code Section 76355<sup>2</sup> containing substantially the same provisions as

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<sup>2</sup> Education Code Section 76355, added by Chapter 8, Statutes of 1993, Section 34, effective April 15, 1993, as last amended by Chapter 758, Statutes of 1995, Section 99:

“(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.

Incorrect Reduction Claim of Los Rios Community College District  
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1 former Section 72246, effective April 15, 1993.

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

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

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

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

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

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

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

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

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

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

Incorrect Reduction Claim of Los Rios Community College District  
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1 However, this amendment is not relevant to this claim because it was not in effect  
2 during the fiscal years that are the subject of this incorrect reduction claim.

3 2. Test Claim

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

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

15 At a hearing on April 27, 1989, the Commission on State Mandates determined  
16 that Chapter 1118, Statutes of 1987, amended this requirement to apply to all  
17 community college districts that provided student health services in fiscal year 1986-  
18 1987, and required them to maintain that level of student health services in fiscal year  
19 1987-1988 and each fiscal year thereafter.

20 3. Parameters and Guidelines

21 On August 27, 1987, the original parameters and guidelines were adopted. On



1 May 25, 1989, those parameters and guidelines were amended. A copy of the May 25,  
2 1989, parameters and guidelines is attached as Exhibit "B."

3 4. Claiming Instructions

4 The Controller has periodically issued or revised claiming instructions for the  
5 Health Fee Elimination mandate. A copy of the September 2003 revision of the claiming  
6 instructions is attached as Exhibit "C." The September 2003 claiming instructions are  
7 believed to be substantially similar to the version extant at the time the claims that are  
8 the subject of this incorrect reduction claim were filed. However, because the  
9 Controller's claim forms and instructions have not been adopted as regulations, they  
10 have no force of law and no effect on the outcome of this claim.

11 PART V. STATE CONTROLLER CLAIM ADJUDICATION

12 The Controller conducted an audit of the District's annual reimbursement claims  
13 for fiscal years 2002-03, 2003-04, and 2004-05. The audit concluded that none of the  
14 District's costs claimed were allowable. A copy of the May 21, 2008, final audit report is  
15 attached as Exhibit "D." Further, the District received three Results of Review letters,  
16 which stated the same result. Copies of the letters, dated May 30, 2008, are attached  
17 as Exhibit "A."

18 VI. CLAIMANT'S RESPONSE TO THE STATE CONTROLLER

19 By letter dated February 20, 2008, the Controller transmitted a copy of its draft  
20 audit report. The District objected to the proposed adjustments set forth in the draft  
21 audit report by letter dated March 11, 2008. A copy of the District's response is included

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1 in Exhibit "D." The Controller revised Finding 1 to reduce the unallowable costs from  
2 \$194,335 (\$148,851 direct and \$45,484 indirect costs) to \$20,908 (\$16,019 direct and  
3 \$4,889 indirect costs) because the amounts in the draft audit report resulted from  
4 extrapolating non-statistically valid sample results to the total costs claimed. However,  
5 the Controller again concluded that none of the District's costs claimed were allowable.

6 **PART VII. STATEMENT OF THE ISSUES**

7 **Finding 1: Unallowable salaries and fringe benefits**

8 The Controller asserts unallowable salaries totaling \$16,019 and related indirect  
9 costs of \$4,889 for an increased level of student health services for American River  
10 College and insufficient supporting documentation for Consumnes River College and  
11 Sacramento City College. The audit work that generated these findings was a review of  
12 "service logs" for one month at each college for each fiscal year, with an additional  
13 month reviewed at Consumnes River College for one fiscal year. These logs are  
14 actually sign-in sheets on which persons obtaining service, with or without  
15 appointments, write their name and provide a four or five word description of their  
16 ailment. Some patients declined to state the reason for their visit, which is their right  
17 under state and federal law.

18 Based on a review of these logs, the audit concluded that some visits were for  
19 services not provided in the base year, and where the patient declined to state the  
20 reason for the visit, the audit determined that this was insufficient documentation and  
21 thus disallowed the visit. These "service logs" are inappropriate as the basis for

Incorrect Reduction Claim of Los Rios Community College District  
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1 "findings" for several reasons, and should not have been used for the Controller's audit  
2 in the first place.

3 Statutory and Regulatory Requirements

4 Education Code Section 76355, subdivision (e), states:

5 "Any community college district that provided health services in the 1986-87  
6 fiscal year shall maintain health services, at the level provided during the 1986-  
7 87 fiscal year, and each fiscal year thereafter."

8 The parameters and guidelines state at Part III Eligible Claimants:

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

12 Source Documentation

13 This finding is based, partially, upon the report's assertion that the "parameters  
14 and guidelines state that all costs claimed must be traceable to source documents  
15 and/or worksheets that show evidence of the validity of such costs." In the final audit  
16 report, the Controller claims "[t]he health service logs identify actual health services  
17 provided." However, the logs only stated what *ailments* the students *claimed* they had.  
18 No description of the *services used to treat these ailments* is ever stated.

19 There is no indication that the students who identified a reason for their visit were  
20 able to accurately diagnose themselves or predict the services necessary for their  
21 treatment. Moreover, the audit disallows those visits for which no reason is stated by  
22 the patient. This penalizes the District for complying with federal privacy requirements  
23 (e.g., HIPAA), which are absolutely essential in providing health services. In the

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1 present instance, two of the colleges maintained logs where a substantial number of  
2 students declined to state the reason for their visit, which is their right under state and  
3 federal law. In response, the audit disallowed the visit by virtue of “insufficient  
4 documentation.”

5 The final audit report concludes that the District’s compliance with HIPAA  
6 requirements is “not relevant,” but then suggests that the District could comply by  
7 providing the health service logs without patient names or that “District staff may  
8 contemporaneously identify the service(s) provided if the patient does not.” Providing  
9 the logs without patient names would be no different because students may still choose  
10 to exercise their rights and not disclose the reason for their visit on the log. This  
11 suggestion ignores the fact that the logs are not maintained for mandate reimbursement  
12 purposes. Similarly, the very essence of privacy laws would be violated if staff  
13 contemporaneously recorded the reason for the visit after the patient has decided not to  
14 disclose this on the log.

15 The service logs used by the Controller were not prepared for mandate or  
16 financial cost accounting purposes nor are they required by the parameters and  
17 guidelines. Neither the parameters and guidelines nor the Controller’s claiming  
18 instructions require the claimants to report the number or type of services actually  
19 *provided*, but only require the claimant to list an inventory of the services *available* and  
20 the costs associated with the mandate. The Controller cannot base an audit finding on  
21 lack of documentation that the District was never required to maintain.

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1           In an attempt to refute these arguments, the final audit report states that “. . . the  
2 district provided no other documentation related to patient visits or the actual amount of  
3 time spent on reimbursable activities.” Logs stating the ailments reported by those  
4 students who wished to disclose the reason for their visit do not become relevant to  
5 determining health services available simply because the Controller relied on the logs  
6 during the audit or because no other documentation existed. Similarly, the Controller  
7 cites the District’s failure to “. . . provide any documentation that shows the actual time  
8 spent on unallowable activities.” There is absolutely no requirement for the District to  
9 maintain records documenting time spent on non-mandated activities.

10           Finally, the audit report states that the Controller did not choose to review the  
11 health service logs, and that the District chose to supply them in response to a general  
12 request for supporting documentation. This statement is untrue. In an email dated  
13 January 22, 2007, Joyce Mendoza, Auditor, specifically requested that she be able to  
14 schedule visits to “. . . the three campuses to look at their Health Services daily logs  
15 (i.e., logs identifying what services were provided on a given date).” A copy of this email  
16 is attached as Exhibit “E.” The Controller incorrectly relied on documentation that was  
17 not prepared for mandate or financial cost accounting purposes, and which provided  
18 information only on the ailments reported by students and not the services provided or  
19 the costs of those services.

20           Services Provided vs. Services Rendered

21           During the audit, the Controller requested “documentation showing actual

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1 services that the district provided.” The final audit report also contains the  
2 “recommendation” that the district maintain logs identifying the health services actually  
3 provided. However, there is no provision in the parameters and guidelines that requires  
4 the District to maintain such records. The District is only required to maintain the  
5 availability of the same services as those offered in the 1986-87 fiscal year. Therefore,  
6 the only relevant documentation for the Controller’s audit is that which supports the  
7 costs associated with maintaining the availability of these services, and not the actual  
8 services provided. The Controller incorrectly audited services *rendered*, rather than  
9 services *available*.

10 Not only is the final audit report’s “recommendation” erroneous, it clearly  
11 oversteps the authority of the Controller by then suggesting, first, that the District should  
12 adopt uniform health service logs, and second, that the uniform logs should be those  
13 used by American River College during the audit years. The Controller does not have  
14 the authority to require documentation of services actually provided or to dictate to the  
15 District the proper procedure to document services actually provided.

16 The “recommendation” concludes that the District should “. . . claim only those  
17 costs related to health services that the district provided in FY 1986-87.” The statutory  
18 requirement is that at least the same level of services be *available*. There is no basis in  
19 law or fact that requires the entire variety of health care services *available* each year to  
20 actually have been utilized, which is to say *rendered*, each year. The costs of  
21 maintaining supplies and retaining trained personnel to make these services available

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1 are incurred regardless of whether students actually require a particular service each  
2 year. The District is certifying that the same level of services continue to be available,  
3 not that each and every service was rendered each year. For example, hearing tests  
4 may be available every year but there may be a year in which no hearing tests were  
5 required by students.

6 Incidences of diseases and courses of treatment change over time. This  
7 dynamic perhaps was not anticipated when the parameters and guidelines were  
8 adopted about twenty years ago. If so, this matter cannot be charged to the claimants,  
9 as it is a Commission adopted document. The Controller, as the audit agency imposing  
10 the adjustment, has the burden of proving the factual and legal basis for its  
11 adjustments. Instead, the Controller incorrectly audited the services rendered rather  
12 than services available to the students.

13 Calculation of Unallowable Costs

14 The final audit report calculates the unallowable salaries and benefits using a  
15 method that does not take into consideration the actual costs of providing the  
16 disallowed services. The Controller divided total salaries and benefits claimed for each  
17 fiscal year by 12, with no consideration for the actual costs incurred during the audited  
18 month. Next, the number of unallowable visits is converted into a percentage of total  
19 visits *recorded on the service logs*. The average monthly salary and benefit costs is  
20 then reduced by this percentage.

21 This method of calculation does not take into account the variance in monthly

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1 costs nor the variance in costs for different services. For example, the amount of time  
2 (and therefore the associated costs) for the simple removal of a splinter would be far  
3 less than for a full physical exam. But the audit report makes no distinction between the  
4 various visits disallowed. There is also no allowance for the seasonal workload  
5 variances caused by having fewer enrolled students during the summer. Further, this  
6 method assumes that all staff labor is applied only to patient visits. Therefore, the  
7 Controller's method of calculating the "unallowable" costs has no basis in fact.

8 In defense of this calculation method, the Controller cites the District's failure to  
9 provide a "reasonable alternative methodology" to calculate unallowable costs. It is not  
10 the duty of the Claimant to calculate the unallowable cost. Therefore, the Controller's  
11 method does not become relevant, accurate, or based in fact simply because the  
12 Claimant has not provided an alternate method.

13 The final audit report then states that the chosen methodology is reasonable  
14 because "[t]he district's failure to provide any evidence of the individual costs allegedly  
15 incurred puts its entire claim in question." This statement is absolutely untrue. If it were  
16 accurate, then there would be no basis for the entire claim and nothing for the  
17 Controller to audit. The auditor was provided with general ledger reports and other  
18 documentation (e.g., supporting payroll records).

19 Unreasonable or Excessive

20 None of the adjustments were made because the costs claimed were excessive



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1 or unreasonable. Government Code Section 17561(d)(2)<sup>3</sup> requires the Controller to pay  
2 claims, provided that the Controller may audit the records of any school district to verify  
3 the actual amount of the mandated costs, and may reduce any claim that the Controller  
4 determines is excessive or unreasonable. The Controller does not assert that the  
5 claimed costs were excessive or unreasonable. It would therefore appear that the entire  
6 findings are based upon the wrong standard for review. If the Controller wishes to  
7 enforce other audit standards for mandated cost reimbursement, the Controller should  
8 comply with the Administrative Procedure Act.

9 **Finding 2: Unallowable services and supplies**

10 The Controller asserts unallowable services and supplies totaling \$21,067 and  
11 related indirect costs of \$6,497 as services not reimbursable under the mandate  
12 program and services not provided in the base year. The statutory and regulatory  
13 requirements are the same as in Finding 1.

14 /

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<sup>3</sup> Government Code Section 17561, added by Chapter 879, Statutes of 1986, Section 6, as amended by Chapter 1124, Statutes of 2002, Section 30.6, effective September 30, 2002:

“(d)...

(2) In subsequent fiscal years each local agency or school district shall submit its claims as specified in Section 17560. The Controller shall pay these claims from funds appropriated therefor, provided that the Controller (A) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, (B) may reduce any claim that the Controller determines is excessive or unreasonable, and (C) shall adjust the payment to correct for any underpayments or overpayments which occurred in previous fiscal years....”

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1 Athletics

2           This finding includes a disallowance of "\$12,305 to provide medical services at  
3 sporting events and physical exams for intercollegiate athletes." In support of this  
4 adjustment, the Controller cites Education Code Section 76355, subdivision (d)(2),  
5 which prohibits physical examinations for intercollegiate athletes and the salaries of  
6 health professionals at athletic events (among other things) from being included in  
7 authorized expenditures. However, this subdivision must be read in context. Education  
8 Code Section 76355, subdivision (a), permits the collection of student fees for health  
9 services. Subdivision (d)(1) requires that these fees, if collected, be deposited in a  
10 designated fund and be expended only as authorized. Subdivision (d)(2) prohibits  
11 expenditures *from the fund* for physical examinations for intercollegiate athletics or the  
12 salaries of health professionals for athletic events. The prohibition only applies to the  
13 expenditure of funds from the special account into which the student fees are  
14 deposited. Since this District does not collect a student health service fee, there is no  
15 such restricted fund and the expenditures are not subject to the requirements of Section  
16 76355, subdivision (d)(2).

17           The Controller has already properly asserted that the parameters and guidelines  
18 define the scope of reimbursement. The parameters and guidelines expressly include  
19 *physicals for athletes*, as well as accident reports, a college physician, outside  
20 physician, registered nurse, examinations, first aid, and dressing changes, which would  
21 seem to satisfactorily encompass the scope of medical services provided at athletic

Incorrect Reduction Claim of Los Rios Community College District  
1/84,1118/87 Health Fee Elimination

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1 events. There is no prohibition in the parameters and guidelines against reimbursement  
2 for medical services related to intercollegiate athletics. Therefore, this adjustment by  
3 the Controller is in direct contradiction to the parameters and guidelines of this  
4 mandate.

5 Lab and Immunization Services

6 The finding disallows \$3,568 for laboratory services and \$5,194 for  
7 immunizations, with \$2,702 in related indirect costs, which the audit concludes were not  
8 provided in the base year. The District does not dispute this adjustment.

9 However, the audit report “recommends” that the District only claim costs for  
10 “those health services that it provided in FY 1986-87.” As discussed under Finding 1,  
11 the Controller is applying an incorrect standard. The Parameters and Guidelines require  
12 the District to make the same level of health services available. The costs of  
13 maintaining supplies and retaining trained personnel to make these services available  
14 are incurred regardless of whether students actually require a particular service each  
15 year. Therefore, it appears that the Controller applied the incorrect standard.

16 **Finding 3 - Overstated Indirect Cost Rates Claimed**

17 The Controller asserts that the District overstated its indirect costs in the amount  
18 of \$76,173 for FY 2002-03 and \$83,553 for FY 2003-04. Indirect costs were  
19 understated for FY 2004-05 by \$23,438, leaving a net audit adjustment of \$136,288.

20 This finding results from the District calculating the indirect cost rates using the  
21 CCSF-311 report’s characterizations of the various accounts as direct or indirect costs.

Incorrect Reduction Claim of Los Rios Community College District  
1/84,1118/87 Health Fee Elimination

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1 The Controller claims that the CCSF-311 report "does not identify accounts as direct or  
2 indirect." While the terms "direct" and "indirect" do not appear on the face of the report,  
3 it does make these classifications. The California Community College Budget and  
4 Accounting Manual provides direction for allocating expenses to specific accounts.  
5 These accounts are then directly translated to the CCSF-311 report and each is  
6 identified as a separate line item. A copy of Chapter 4 of the 2000 version of this  
7 manual is attached as Exhibit "F." For instance, "[t]he direct costs of classroom  
8 instruction are recorded by discipline within Activities 0100 through 4900." Account  
9 5900 includes benefits and retirement incentives for staff that are recorded in accounts  
10 0100 - 4900. These accounts are listed under the heading of "Instructional Activities" on  
11 the CCSF-311 report. The remaining accounts are listed under the general heading  
12 "Administrative and Support Activities."

13 CCFS-311

14 Both the District's method and the Controller's method utilize the same source  
15 document, the CCFS-311 annual financial and budget report required by the state. The  
16 difference in the claimed and audited methods is in the determination of which of those  
17 cost elements are direct costs and which are indirect costs. The Controller's method  
18 arbitrarily assigns certain costs to different categories. For example, the Controller  
19 does not include depreciation as an indirect cost for the first two fiscal years in this  
20 audit, but does for the third fiscal year. Another indication of the arbitrary nature of the  
21 Controller's method is the wide variation in "allowable" indirect costs rates derived from

Incorrect Reduction Claim of Los Rios Community College District  
1/84,1118/87 Health Fee Elimination

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1 it (16.26% - 35.96%) in comparison to the relatively stable rates derived from the  
2 District's method (29.66% - 31.96%). In the final audit report, the Controller asserts that  
3 "[t]he SCO calculated indirect cost rates based on its claiming instructions applicable in  
4 each fiscal year." This statement does not rebut the District's argument, because it is  
5 the development of the Controller's method, and not its application, that is arbitrary.

6 Regulatory Requirements

7 No particular indirect cost rate calculation is required by law. The Controller  
8 insists that the rate be calculated according to the claiming instructions. The  
9 parameters and guidelines state that "Indirect costs *may be claimed* in the manner  
10 described by the State Controller in his claiming instructions." The district claimed these  
11 indirect costs "in the manner" described by the Controller. The correct forms were used  
12 and the claimed amounts were entered at the correct locations. Further, "may" is not  
13 "shall"; the parameters and guidelines do not *require* that indirect costs be claimed in  
14 the manner described by the Controller.

15 The District utilized the CCSF-311 classification of accounts which is more  
16 rational and consistent than the Controller's evolving formula. Further, it should be  
17 noted that the Controller did not determine that the District's rate was excessive or  
18 unreasonable. In the audit report, the Controller asserts that because parameters and  
19 guidelines specifically references the claiming instructions, the claiming instructions  
20 thereby become authoritative criteria. Since the Controller's claiming instructions were  
21 never adopted as law, or regulations pursuant to the Administrative Procedure Act, the

Incorrect Reduction Claim of Los Rios Community College District  
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1 claiming instructions are a statement of the Controller's interpretation and not law.

2 Unreasonable or Excessive

3 The Controller is authorized to reduce a claim only if it determines the claim to be  
4 excessive or unreasonable (see Finding 1). Here, the District has computed its ICRPs  
5 following the guidance of the California Community Colleges Budget and Accounting  
6 Manual in conjunction with the CCSF-311 report, and the Controller has disallowed it  
7 without a determination of whether the product of the District's calculation would, or  
8 would not, be excessive, unreasonable, or inconsistent with cost accounting principles.

9 Neither State law nor the parameters and guidelines make compliance with the  
10 Controller's claiming instructions a condition of reimbursement. The district has followed  
11 the parameters and guidelines. The burden of proof is on the Controller to prove that  
12 the product of the District's calculation is unreasonable, not to recalculate the rate  
13 according to its unenforceable ministerial preferences.

14 Indeed, federally "approved" rates that the Controller will accept without further  
15 action are "negotiated" rates calculated by the district and submitted for approval,  
16 indicating that the process is not an exact science, but a determination of the relevance  
17 and reasonableness of the cost allocation assumptions made for the method used. In  
18 conclusion, the Controller made no determination as to whether the method used by the  
19 District was reasonable and substituted its FAM-29C method for the method reported  
20 by the District. The substitution of the FAM-29C method is not a "finding" enforceable  
21 either by fact or law.

1 **Finding 4: Understated authorized health fee revenues claimed**

2 This finding is based on the Controller's conclusion that the District did not offset  
3 student health services program costs by the amount of authorized health fee revenues  
4 in the amount of \$3,554,470. The Controller calculated authorized health service fees  
5 using student enrollment data and health service fee rates from the Chancellor's Office.  
6 This finding reduces the claimed program costs by a calculated amount of student  
7 health services fees **never** collected. The District does not collect a student health  
8 services fee.

9 Government Code Section 17556

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

13 Government Code Section 17556 as last amended by Chapter 895/04 actually states:

14 The commission shall not find costs mandated by the state, as defined in Section  
15 17514, in any claim submitted by a local agency or school district, if, after a  
16 hearing, the commission finds that: . . .

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

20 The Controller misrepresents the law. Government Code Section 17556  
21 prohibits the Commission on State Mandates from finding costs subject to  
22 reimbursement, that is, approving a test claim where there is authority to levy fees in an  
23 amount sufficient to offset the entire mandated costs. Here, the Commission has  
24 already made a finding of a new program or increased costs. It is not the position of the

Incorrect Reduction Claim of Los Rios Community College District  
1/84,1118/87 Health Fee Elimination

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1 Controller to second-guess the Commission's determinations or to use audits to  
2 promote its own interpretation of Section 17556.

3 Government Code Section 17514

4 Nor can the Controller rely upon Government Code Section 17514 for the  
5 conclusion that to the extent community college districts can charge a fee, they are not  
6 required to incur a cost. Government Code Section 17514, as added by Chapter 1459,  
7 Statutes of 1984, states:

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

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

17 Education Code Section 76355

18 Education Code Section 76355, subdivision (a), in relevant part, provides: "The  
19 governing board of a district maintaining a community college may require community  
20 college students to pay a fee . . . for health supervision and services . . ." (emphasis  
21 added). There is no requirement that community colleges levy these fees. The  
22 permissive nature of the provision is further illustrated in subdivision (b), which states  
23 "If, pursuant to this section, a fee is required, the governing board of the district shall  
24 decide the amount of the fee, *if any*, that a part-time student is required to pay. *The*



1 *governing board may decide whether the fee shall be mandatory or optional.”*

2 (emphasis added)

3 Parameters and Guidelines

4 The Controller notes that health service fees were included in the parameters  
5 and guidelines as a possible source of offsetting savings, and then concludes that fees  
6 authorized by Education Code Section 76355 must be deducted because “[t]o the  
7 extent districts have the authority to charge a fee, they are not required to incur a cost.”

8 The parameters and guidelines actually state:

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

14 In order for a district to “experience” these “offsetting savings” the district must actually  
15 have collected these fees. Note that the student health fees are named as a potential  
16 source of the reimbursement *received* in the previous sentence. The use of the term  
17 “any offsetting savings” further illustrates the permissive nature of the fees. Student  
18 fees actually collected must be used to offset costs, but not student fees that could  
19 have been collected and were not. Thus, this finding is based on an illogical  
20 interpretation of the parameters and guidelines by the Controller.

21 Finally, the Department of Finance proposed, as part of the amendments that

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

Incorrect Reduction Claim of Los Rios Community College District  
1/84,1118/87 Health Fee Elimination

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1 were adopted on May 25, 1989, that a sentence be added to the offsetting savings  
2 section expressly stating that if no health service fee was charged, the claimant would  
3 be required to deduct the amount authorized. The Commission declined to add this  
4 requirement and adopted the parameters and guidelines without this language.

5 Therefore, it is evident that the Commission intends the language of the parameters  
6 and guidelines to be construed as written, and only those savings that are *experienced*  
7 are to be deducted.

8 Health Services Fee Amount

9 The Controller concludes that since the Chancellor's Office notified community  
10 college districts that they could charge a fee of \$12 per semester and \$9 per summer  
11 session for FY 2002-03 and FY 2003-04, and \$13 per semester and \$10 per summer  
12 session for FY 2004-05, the colleges will charge this amount. Districts receive notice of  
13 these fee amounts by letter from the Chancellor of the California Community Colleges.  
14 An example of one such notice is the Chancellor's letter dated March 5, 2001, attached  
15 as Exhibit "G." While Education Code Section 76355 provides for an increase in the  
16 student health services fees, it did not grant the Chancellor the authority to establish  
17 mandatory fee amounts or mandatory fee increases. No state agency was granted that  
18 authority by the Education Code, and no state agency has exercised its rulemaking  
19 authority to establish mandatory fees amounts. It should be noted that the Chancellor's  
20 letter properly states that increasing the amount of the fee is at the option of the district,  
21 and that the Chancellor is not asserting that authority. Therefore, the Controller cannot

Incorrect Reduction Claim of Los Rios Community College District  
1/84,1118/87 Health Fee Elimination

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1 rely upon the Chancellor's notice as a basis to adjust the claim for "collectible" student  
2 health services fees.

3 Fees Collected vs. Fees Collectible

4 This issue is one of student health fees revenue actually received, rather than  
5 student health fees which might be collected. The Commission determined, as stated  
6 in the parameters and guidelines that the student health fees "experienced" (*collected*)  
7 would reduce the amount subject to reimbursement. Student fees not collected are  
8 student fees not "experienced" and as such should not reduce reimbursement. Further,  
9 the amount "authorized" will never equal actual revenues collected due to changes in a  
10 student's BOGG eligibility, bad debt accounts, and refunds.

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

18 **Actual Amounts Paid by the State**

19 The audit report asserts in several locations that the District was paid \$814,928  
20 and this amount should be remitted to the state. The money was never "paid" to the  
21 District. According to the final audit report, "[t]he State discharged its FY 2002-03

1 indebtedness to the district by equally discharging the district's indebtedness to the  
2 State for other mandated program claims." The audit report does not provide proof that  
3 the debt was discharged.

4 PART VIII. RELIEF REQUESTED

5 The District filed its annual reimbursement claims within the time limits  
6 prescribed by the Government Code. The amounts claimed by the District for  
7 reimbursement of the costs of implementing the program imposed by Chapter 1,  
8 Statutes of 1984, 2nd E.S., Chapter 1118, Statutes of 1987, and Education Code  
9 Section 76355 represent the actual costs incurred by the District to carry out this  
10 program. These costs were properly claimed pursuant to the Commission's parameters  
11 and guidelines. Reimbursement of these costs is required under Article XIII B, Section 6  
12 of the California Constitution. The Controller denied reimbursement without any basis  
13 in law or fact. The District has met its burden of going forward on this claim by  
14 complying with the requirements of Section 1185, Title 2, California Code of  
15 Regulations. Because the Controller has enforced and is seeking to enforce these  
16 adjustments without benefit of statute or regulation, the burden of proof is now upon the  
17 Controller to establish a legal basis for its actions.

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


Incorrect Reduction Claim of Los Rios Community College District  
1/84,1118/87 Health Fee Elimination

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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 that originated the document.

Executed on January 29, 2009 at Sacramento, California, by

  
\_\_\_\_\_  
Jon Sharpe, Deputy Chancellor  
Los Rios Community College District  
1919 Spanos Court  
Sacramento, California 95825-3981  
Voice: 916-568-3058  
Fax: 916-568-3078  
E-mail: SharpeJ@losrios.edu

APPOINTMENT OF REPRESENTATIVE

Los Rios Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this Incorrect reduction claim.

  
\_\_\_\_\_  
Jon Sharpe, Deputy Chancellor  
Los Rios Community College District

1/29/09  
\_\_\_\_\_  
Date

- Attachments:
- Exhibit "A" SCO Results of Review letters dated May 30, 2008
  - Exhibit "B" Parameters and Guidelines as amended May 25, 1989
  - Exhibit "C" Controller's Claiming Instructions September 2003
  - Exhibit "D" SCO Audit Report dated May 21, 2008
  - Exhibit "E" Email from Auditor Joyce Mendoza dated January 22, 2007
  - Exhibit "F" CCC Budget and Accounting Manual, Ch. 4
  - Exhibit "G" CCCCCO Health Fee letter dated March 5, 2001
  - Exhibit "H" Annual Reimbursement Claims

*CPD*





California State Controller  
Division of Accounting and Reporting  
MAY 30, 2008

00259  
2008/05/30

BOARD OF TRUSTEES  
LOS RIOS COMM COLL DIST  
SACRAMENTO COUNTY  
1919 SPANOS COURT  
SACRAMENTO CA 95825

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		814,928.00
TOTAL ADJUSTMENTS (DETAILS BELOW)	-	814,928.00
TOTAL PRIOR PAYMENTS (DETAILS BELOW)		-814,928.00
AMOUNT DUE STATE		<u>\$ 814,928.00</u>

PLEASE REMIT A WARRANT IN THE AMOUNT OF \$ 814,928.00 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	-	814,928.00	
TOTAL ADJUSTMENTS			- 814,928.00
PRIOR PAYMENTS:			
SCHEDULE NO. MA64136A			
PAID 10-25-2006		-814,928.00	
TOTAL PRIOR PAYMENTS			-814,928.00

RECEIVED

JUN 02 2008

SINCERELY,

*Ginny Brummels*  
GINNY BRUMMELS, MANAGER

CHANCELLOR'S OFFICE  
LOS RIOS COMMUNITY COLLEGE DISTRICT

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

06-05-'08 12:33 FROM-

T-839 P003/004 F-159



California State Controller  
Division of Accounting and Reporting  
MAY 30, 2008

2008/05/30

BOARD OF TRUSTEES  
LOS RIOS COMM COLL DIST  
SACRAMENTO COUNTY  
1919 SPANOS COURT  
SACRAMENTO CA 95825

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		866,621.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	865,621.00
LATE CLAIM PENALTY	-	1,000.00
TOTAL ADJUSTMENTS	-	866,621.00
AMOUNT DUE CLAIMANT		0.00

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

RECEIVED

JUN 02 2008

CHANCELLOR'S OFFICE  
LOS RIOS COMMUNITY COLLEGE DISTRICT

SINCERELY,

*Ginny Brummels*  
GINNY BRUMMELS, MANAGER

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





California State Controller 2008/05/30  
Division of Accounting and Reporting  
MAY 30, 2008

BOARD OF TRUSTEES  
LOS RIOS COMM COLL DIST  
SACRAMENTO COUNTY  
1919 SPANOS COURT  
SACRAMENTO CA 95825

DEAR CLAIMANT:

RE: HEALTH FEE ELIMINATION (CC)

WE HAVE REVIEWED YOUR 2004/2005 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 874,066.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 874,066.00

TOTAL ADJUSTMENTS - 874,066.00

AMOUNT DUE CLAIMANT \$ 0.00

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

to Ray  
cc: Keith P.  
Gami B

CS  
6/5

SINCERELY,

*Ginny Brummels*  
GINNY BRUMMELS, MANAGER

RECEIVED

JUN 02 2008

CHANCELLOR'S OFFICE  
LOS RIOS COMMUNITY COLLEGE DISTRICT

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



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.

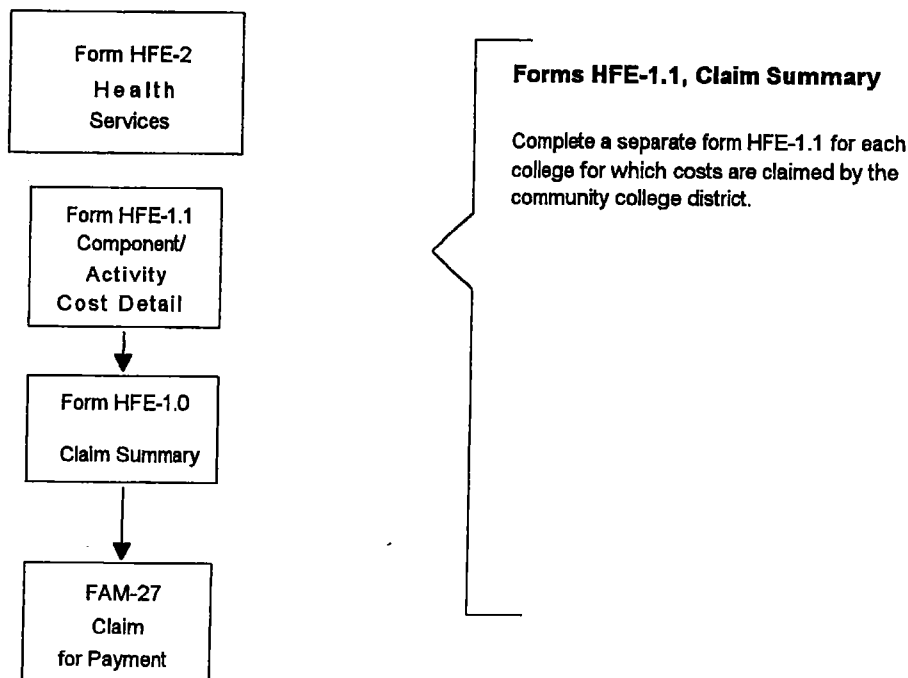
**C. Form HFE-1.0, Claim Summary**

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**



<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561  <b>HEALTH FEE ELIMINATION</b>	For State Controller Use Only (19) Program Number 00234 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program <span style="font-size: 2em; font-weight: bold;">234</span>
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L A B E L  H E R E	(01) Claimant Identification Number		<b>Reimbursement Claim Data</b>	
	(02) Claimant Name		(22) HFE-1.0, (04)(b)	
	County of Location		(23)	
	Street Address or P.O. Box		(24)	
	Suite			
	City		(25)	
State				
Zip Code		(26)		
<b>Type of Claim</b>	<b>Estimated Claim</b>	<b>Reimbursement Claim</b>	(27)	
	(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)	
<b>Fiscal Year of Cost</b>	(06) 20___/20___	(12) 20___/20___	(30)	
<b>Total Claimed Amount</b>	(07)	(13)	(31)	
<b>Less: 10% Late Penalty, not to exceed \$1,000</b>		(14)	(32)	
<b>Less: Prior Claim Payment Received</b>		(15)	(33)	
<b>Net Claimed Amount</b>		(16)	(34)	
<b>Due from State</b>	(08)	(17)	(35)	
<b>Due to State</b>		(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 \_\_\_\_\_

\_\_\_\_\_

Type or Print Name \_\_\_\_\_ Title \_\_\_\_\_

(38) Name of Contact Person for Claim \_\_\_\_\_ Telephone Number ( ) - Ext. \_\_\_\_\_

\_\_\_\_\_ E-Mail Address \_\_\_\_\_

<b>Program</b> <b>234</b>	<b>HEALTH FEE ELIMINATION</b> <b>Certification Claim Form</b> <b>Instructions</b>	<b>FORM</b> <b>FAM-27</b>
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- (01) 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

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



<b>HEALTH FEE ELIMINATION CLAIM SUMMARY Instructions</b>	<b>FORM HFE-1.0</b>
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- (01) Enter the name of the claimant. Only a community college district may file a claim with the State Controller's Office on behalf of its colleges.
- (02) Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year for which the expenses were/are to be incurred. A separate claim must be filed for each fiscal year.

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

- (03) List all the colleges of the community college district which have increased costs. A separate form HFE-1.1 must be completed for each college showing how costs were derived.
- (04) Enter the total claimed amount of all colleges by adding the Claimed Amount, line (3.1b) + line (3.2b) ...+ (3.21b).

Program <b style="font-size: 24pt;">234</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	FORM HFE-1.1
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(01) Claimant	(02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 20__/20__
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(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

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

<b>Program</b> <b>234</b>	<b>HEALTH FEE ELIMINATION CLAIM SUMMARY Instructions</b>	<b>FORM HFE-1.1</b>
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- (01) Enter the name of the claimant. Only a community college district may file a claim with the State Controller's Office (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.

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

<b>MANDATED COSTS</b> <b>HEALTH ELIMINATION FEE</b> <b>HEALTH SERVICES</b>	<b>FORM</b> <b>HFE-2</b>
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(01) Claimant:	(02) Fiscal Year costs were incurred:
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(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health services were provided by student health service fees for the indicated fiscal years.	(a) FY 1986/87	(b) FY of Claim
<ul style="list-style-type: none"> <li>Child Abuse</li> <li>Birth Control/Family Planning</li> <li>Stop Smoking</li> <li>Library, Videos and Cassettes</li>   <li>First Aid, Major Emergencies</li>   <li>First Aid, Minor Emergencies</li>   <li>First Aid Kits, Filled</li>   <li>Immunizations                             <ul style="list-style-type: none"> <li>Diphtheria/Tetanus</li> <li>Measles/Rubella</li> <li>Influenza</li> <li>Information</li> </ul> </li>   <li>Insurance                             <ul style="list-style-type: none"> <li>On Campus Accident</li> <li>Voluntary</li> <li>Insurance Inquiry/Claim Administration</li> </ul> </li>   <li>Laboratory Tests Done                             <ul style="list-style-type: none"> <li>Inquiry/Interpretation</li> <li>Pap Smears</li> </ul> </li>   <li>Physical Examinations                             <ul style="list-style-type: none"> <li>Employees</li> <li>Students</li> <li>Athletes</li> </ul> </li>   <li>Medications                             <ul style="list-style-type: none"> <li>Antacids</li> <li>Antidiarrheal</li> <li>Aspirin, Tylenol, Etc</li> <li>Skin Rash Preparations</li> <li>Eye Drops</li> <li>Ear Drops</li> <li>Toothache, oil cloves</li> <li>Stingkill</li> <li>Midol, Menstrual Cramps</li> <li>Other, list</li> </ul> </li>   <li>Parking Cards/Elevator Keys                             <ul style="list-style-type: none"> <li>Tokens</li> <li>Return Card/Key</li> <li>Parking Inquiry</li> <li>Elevator Passes</li> <li>Temporary Handicapped Parking Permits</li> </ul> </li> </ul>		

<b>MANDATED COSTS</b> <b>HEALTH ELIMINATION FEE</b> <b>HEALTH SERVICES</b>	<b>FORM</b> <b>HFE-2</b>
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(01) Claimant:	(02) Fiscal Year costs were incurred:
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(03) Place an "X" in columns (a) and/or (b), as applicable, to indicate which health services were provided by student health service fees for the indicated fiscal years.	(a) FY 1986/87	(b) FY of Claim
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<p>Referrals to Outside Agencies</p> <ul style="list-style-type: none"> <li>Private Medical Doctor</li> <li>Health Department</li> <li>Clinic</li> <li>Dental</li> <li>Counseling Centers</li> <li>Crisis Centers</li> <li>Transitional Living Facilities, battered/homeless women</li> <li>Family Planning Facilities</li> <li>Other Health Agencies</li> </ul> <p>Tests</p> <ul style="list-style-type: none"> <li>Blood Pressure</li> <li>Hearing</li> <li>Tuberculosis                             <ul style="list-style-type: none"> <li>Reading Information</li> </ul> </li> <li>Vision</li> <li>Glucometer</li> <li>Urinalysis</li> <li>Hemoglobin</li> <li>EKG</li> <li>Strep A testing</li> <li>PG Testing</li> <li>Monospot</li> <li>Hemacult</li> <li>Others, list</li> </ul> <p>Miscellaneous</p> <ul style="list-style-type: none"> <li>Absence Excuses/PE Waiver</li> <li>Allergy Injections</li> <li>Band-aids</li> <li>Booklets/Pamphlets</li> <li>Dressing Change</li> <li>Rest</li> <li>Suture Removal</li> <li>Temperature</li> <li>Weigh Information</li> <li>Report/Form</li> <li>Wart Removal</li> <li>Others, list</li> </ul> <p>Committees</p> <ul style="list-style-type: none"> <li>Safety</li> <li>Environmental</li> <li>Disaster Planning</li> </ul>		
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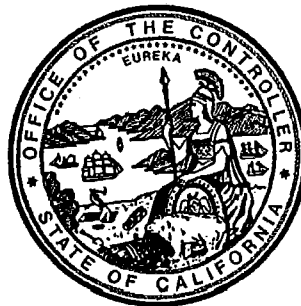
# LOS RIOS COMMUNITY COLLEGE DISTRICT

Audit Report

## HEALTH FEE ELIMINATION PROGRAM

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

*July 1, 2002, through June 30, 2005*



JOHN CHIANG  
California State Controller

May 2008





**JOHN CHIANG**  
**California State Controller**

May 21, 2008

Anne Blackwood, President  
Board of Trustees  
Los Rios Community College District  
1919 Spanos Court  
Sacramento, CA 95825-3981

Dear Ms. Blackwood:

The State Controller's Office audited the costs claimed by the Los Rios Community College District for the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2<sup>nd</sup> Extraordinary Session, and Chapter 1118, Statutes of 1987) for the period of July 1, 2002, through June 30, 2005.

The district claimed \$2,554,615 (\$2,555,615 less a \$1,000 penalty for filing a late claim) for the mandated program. Our audit disclosed that the entire amount is unallowable, primarily because the district did not report authorized health service fees. The State paid the district \$814,928, which the State will offset from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

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 CSM's Web site, at [www.csm.ca.gov](http://www.csm.ca.gov) (Guidebook link); you may obtain IRC forms by telephone, at (916) 323-3562, or by e-mail, at [csminfo@csm.ca.gov](mailto:csminfo@csm.ca.gov).

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

Sincerely,

*Original signed by*

**JEFFREY V. BROWNFIELD**  
Chief, Division of Audits

JVB/vb

cc: Jon Sharpe, Deputy Chancellor  
    Los Rios Community College District  
Carrie Bray, Director, Accounting Services  
    Los Rios Community College District  
Marty Rubio, Specialist, Fiscal Accountability Section  
    California Community Colleges Chancellor's Office  
Jeannie Oropeza, Program Budget Manager  
    Education Systems Unit  
    Department of Finance

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by the Los Rios Community College District for the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2<sup>nd</sup> Extraordinary Session, and Chapter 1118, Statutes of 1987) for the period of July 1, 2002, through June 30, 2005.

The district claimed \$2,554,615 (\$2,555,615 less a \$1,000 penalty for filing a late claim) for the mandated program. Our audit disclosed that the entire amount is unallowable, primarily because the district did not report authorized health service fees. The State paid the district \$814,928, which the State will offset from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

## Background

Chapter 1, Statutes of 1984, 2<sup>nd</sup> 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 in FY 1987-88 and each fiscal year thereafter.

On November 20, 1986, the Commission on State Mandates (CSM) determined that Chapter 1, Statutes of 1984, 2<sup>nd</sup> 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 in FY 1984-85 and each fiscal year thereafter. This maintenance-of-effort requirement applied to all community college districts that levied a health service fee in FY 1983-84.

On April 27, 1989, 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 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, 2005.

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

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

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

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

## **Conclusion**

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

For the audit period, the Los Rios Community College District claimed \$2,554,615 (\$2,555,615 less a \$1,000 penalty for filing a late claim) for costs of the Health Fee Elimination Program. Our audit disclosed that the entire amount is unallowable.

The State paid the district \$814,928, which it will offset 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 February 20, 2008. Jon Sharpe, Deputy Chancellor, responded by letter dated March 11, 2008 (Attachment), disagreeing with the audit results. This final audit report includes the district's response.

After further review, we revised Finding 1 to eliminate previously reported unallowable costs that resulted from extrapolating non-statistical sample results to the population sampled. Finding 1 now shows unallowable salaries and benefits totaling \$16,019 and unallowable indirect costs totaling \$4,889. We previously reported unallowable salaries and benefits totaling \$148,851 and unallowable indirect costs totaling \$45,484.

**Restricted Use**

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

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

May 21, 2008

**Schedule 1—  
Summary of Program Costs  
July 1, 2002, through June 30, 2005**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2002, through June 30, 2003</u>				
Direct costs:				
Salaries	\$ 501,152	\$ 498,087	\$ (3,065)	Finding 1
Benefits	115,242	114,542	(700)	Finding 1
Services and supplies	12,117	6,287	(5,830)	Finding 2
Total direct costs	628,511	618,916	(9,595)	
Indirect costs	186,417	107,398	(79,019)	Findings 1, 2, 3
Total direct and indirect costs	814,928	726,314	(88,614)	
Less authorized health service fees	—	(1,293,681)	(1,293,681)	Finding 4
Subtotal	814,928	(567,367)	(1,382,295)	
Audit adjustments that exceed costs claimed	—	567,367	567,367	
Total program costs	<u>\$ 814,928</u>	—	<u>\$ (814,928)</u>	
Less amount paid by the State		(814,928)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (814,928)</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Direct costs:				
Salaries	\$ 516,187	\$ 508,796	\$ (7,391)	Finding 1
Benefits	128,945	127,151	(1,794)	Finding 1
Services and supplies	19,506	13,031	(6,475)	Finding 2
Total direct costs	664,638	648,978	(15,660)	
Indirect costs	201,983	113,671	(88,312)	Findings 1, 2, 3
Total direct and indirect costs	866,621	762,649	(103,972)	
Less authorized health service fees	—	(1,137,243)	(1,137,243)	Finding 4
Less late filing penalty	(1,000)	(1,000)	—	
Subtotal	865,621	(375,594)	(1,241,215)	
Audit adjustments that exceed costs claimed	—	375,594	375,594	
Total program costs	<u>\$ 865,621</u>	—	<u>\$ (865,621)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		

## Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2004, through June 30, 2005</u>				
Direct costs:				
Salaries	\$ 516,410	\$ 513,946	\$ (2,464)	Finding 1
Benefits	128,609	128,004	(605)	Finding 1
Services and supplies	17,352	8,590	(8,762)	Finding 2
Total direct costs	662,371	650,540	(11,831)	
Indirect costs	211,695	231,352	19,657	Findings 1, 2, 3
Total direct and indirect costs	874,066	881,892	7,826	
Less authorized health service fees	—	(1,123,546)	(1,123,546)	Finding 4
Subtotal	874,066	(241,654)	(1,115,720)	
Audit adjustments that exceed costs claimed	—	241,654	241,654	
Total program costs	<u>\$ 874,066</u>	—	<u>\$ (874,066)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>Summary: July 1, 2002, through June 30, 2005</u>				
Direct costs:				
Salaries	\$ 1,533,749	\$ 1,520,829	\$ (12,920)	
Benefits	372,796	369,697	(3,099)	
Services and supplies	48,975	27,908	(21,067)	
Total direct costs	1,955,520	1,918,434	(37,086)	
Indirect costs	600,095	452,421	(147,674)	
Total direct and indirect costs	2,555,615	2,370,855	(184,760)	
Less authorized health service fees	—	(3,554,470)	(3,554,470)	
Less late filing penalty	(1,000)	(1,000)	—	
Subtotal	2,554,615	(1,184,615)	(3,739,230)	
Audit adjustments that exceed costs claimed	—	1,184,615	1,184,615	
Total program costs	<u>\$ 2,554,615</u>	—	<u>\$ (2,554,615)</u>	
Less amount paid by the State		(814,928)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (814,928)</u>		

<sup>1</sup> See the Findings and Recommendations section.



# Findings and Recommendations

## FINDING 1— Unallowable salaries and benefits

The district claimed unallowable salaries and benefits totaling \$16,019. The related indirect costs total \$4,889. The unallowable salaries and benefits are attributable to (1) the increased level of health services that American River College (ARC) provided and (2) the insufficient supporting documentation that Consumnes River College (CRC) and Sacramento City College (SCC) provided.

The district's claims identified the health services that the district provided during fiscal year (FY) 1986-87, the mandated program's base year. For each college, we examined health service logs that covered a one-month period in each fiscal year. For CRC, we expanded our sample to include a second one-month period in FY 2003-04. The health service logs identify actual health services provided. ARC's health service logs showed that it provided health services exceeding the services that the district provided during FY 1986-87. In addition, CRC's and SCC's health service logs included entries that did not identify the service provided. As a result, we were unable to verify that those services were mandate-related.

The following table shows the percentage of unallowable or unsupported health services provided and the resulting unallowable salaries and benefits for each college and fiscal year:

	ARC	CRC	SCC	Total
<b>Fiscal Year 2002-03:</b>				
Salaries and benefits claimed	\$ 241,188	\$ 145,430	\$ 229,776	
Number of months per year	÷ 12	÷ 12	÷ 12	
Average monthly salaries and benefits claimed	20,099	12,119	19,148	
Percentage of unallowable services provided	× (5.65)%	× (12.50)%	× (5.82)%	
Audit adjustment	<u>(1,136)</u>	<u>(1,515)</u>	<u>(1,114)</u>	\$ (3,765)
<b>Fiscal Year 2003-04:</b>				
Salaries and benefits claimed	240,486	179,984	224,662	
Number of months per year	÷ 12	÷ 12	÷ 12	
Average monthly salaries and benefits claimed	20,041	14,999	18,722	
Number of months audited	× 1	× 2	× 1	
Total salaries and benefits for months audited	20,041	29,998	18,722	
Percentage of unallowable services provided	× (4.20)%	× (24.09)%	× (5.96)%	
Audit adjustment	<u>(842)</u>	<u>(7,227)</u>	<u>(1,116)</u>	(9,185)
<b>Fiscal Year 2004-05:</b>				
Salaries and benefits claimed	253,007	178,176	213,836	
Number of months per year	÷ 12	÷ 12	÷ 12	
Average monthly salaries and benefits claimed	21,084	14,848	17,820	
Percentage of unallowable services provided	× (5.04)%	× (13.51)%	× —	
Audit adjustment	<u>(1,063)</u>	<u>(2,006)</u>	<u>—</u>	(3,069)
Total audit adjustment	<u>\$ (3,041)</u>	<u>\$ (10,748)</u>	<u>\$ (2,230)</u>	<u>\$ (16,019)</u>

The following table summarizes the unallowable salaries and benefits and the related indirect costs:

	Fiscal Year			Total
	2002-03	2003-04	2004-05	
Salaries and benefits	\$ (3,765)	\$ (9,185)	\$ (3,069)	\$ (16,019)
Related indirect costs	(1,117)	(2,791)	(981)	(4,889)
Audit adjustment	\$ (4,882)	\$ (11,976)	\$ (4,050)	\$ (20,908)

The program's parameters and guidelines state that a community college district may claim costs only for those health services that it provided in FY 1986-87. In addition, the parameters and guidelines state that "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 the district maintain logs that consistently identify the health services actually provided. In addition, we recommend that the district adopt uniform health service logs by implementing ARC's health service log system for all colleges. We also recommend that the district claim only those costs related to health services that the district provided in FY 1986-87.

### District's Response

The audit work which generated these findings was a review of "service logs" . . . These logs are actually sign-in sheets in which persons obtaining service, with or without appointments, write their name and provide a four or five word description of their ailment. Some patients declined to state the reason for their visit, which is their right under state and federal laws, specifically HIPPA privacy laws.

The service logs were not prepared for mandate or financial cost accounting purposes nor are they required by the parameters and guidelines. Neither the parameters and guidelines nor the Controller's claiming instructions require the claimants to report the number or type of service actually provided, but only require the claimant to provide an inventory of services available to students.

There is no evidence that the service logs record all of the services provided each month. The extrapolation [finding] assumes that all staff labor is applied only to patient visits.

There is no indication that the number of services provided in each of these months is a statistically valid sample of the scope of services provided. That is, patient visits may not be representative of all types of services provided.

The time spent by staff to provide service varies by the type of service provided. The extrapolation assumes every patient visit requires the same amount of staff time to provide service.

The audit disallows those visits for which no reason is stated by the patient. This essentially disallows services which are probably allowable. This penalizes the District for complying with privacy requirements.

The audit report recommends that in the future the district maintain logs "that consistently identify the health services actually provided." This of course indicates that the auditor does not believe the current logs are representative of the services actually provided, yet the auditor used the logs for sampling and extrapolation. Therefore, the audit report concedes that findings are based on an incompetent source.

The audit report quotes the parameters and guidelines as the legal basis for the adjustment, specifically, that "... all costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs." It is ironic and entirely unacceptable for the Controller to adjust claimed costs for insufficient documentation when the auditor chose documents never intended nor designed for cost accounting as the basis for these findings and then criticized the District's source documentation.

The district also objected to the SCO extrapolating sample results to total salaries and benefits claimed for each college and fiscal year.

#### SCO's Comment

We revised our audit finding to eliminate previously reported unallowable costs that resulted from extrapolating sample results to the full fiscal year for each college. For those colleges and fiscal years for which we sampled one month of services provided, we calculated unallowable costs by applying the percentage of unallowable services to the average monthly salaries and benefits claimed. Because we sampled two months for Consumnes River College's FY 2003-04 services provided, we doubled that amount. We also made non-substantive edits to our recommendation.

During our audit field work, we asked the district to provide documentation showing the actual services that the district provided. In response, the district provided the health service logs. We gave the district an opportunity to provide any other documentation that supports actual services provided. The district did not provide any other documentation during our audit fieldwork or in response to our draft audit report.

The district incorrectly states that the parameters and guidelines and the SCO's claiming instructions "only require the claimant to provide an inventory of services available to students." The parameters and guidelines actually state, "Only services provided in 1986-87 fiscal year may be claimed." They require the district to claim salaries and benefits by describing the mandated functions performed and specifying the actual number of hours devoted to each function. In addition, they state, "All costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs."

The district states that the service logs do not record all of the health services that it provided each month. However, the district provided no other documentation related to patient visits or the actual amount of time spent on reimbursable activities.

The district states, "The time spent by staff to provide service varies by the type of service provided. The extrapolation [finding] assumes every patient visit requires the same amount of staff time to provide service." However, the district did not provide any documentation that shows the actual time spent on unallowable activities. The district did not provide any documentation that specifies the actual number of hours devoted to each mandated function as required by the parameters and guidelines. In addition, the district failed to provide any reasonable alternative methodology to calculate costs claimed that are attributable to unallowable activities. The district's failure to provide any evidence of the individual costs allegedly incurred puts its entire claim in question. We conclude that the audit methodology is reasonable in light of the district's lack of supporting documentation.

The district also states, "The audit disallows those visits for which no reason is stated by the patient. This essentially disallows services which are probably allowable. This penalizes the District for complying with privacy requirements." The parameters and guidelines require the district to describe the mandated functions performed and specify the actual number of hours devoted to each function. The district provided no documentation showing that the referenced patient visits were "probably allowable." The district's compliance with Health Insurance Portability and Accountability Act (HIPAA) requirements is not relevant. It is the district's responsibility to maintain documentation that complies with the parameters and guidelines' requirements. The district may document actual services provided without violating HIPAA requirements simply by providing the same health service logs without disclosing patient names. District staff may contemporaneously identify the service(s) provided if the patient does not.

The district cites the audit report recommendation that states, "We recommend that the district maintain logs that consistently identify the health services actually provided." The district then incorrectly concludes that the SCO does not believe that the current logs are representative of the services actually provided and hypothesizes falsely that the audit report concedes to reporting a finding based on an incompetent source. Our recommendation only addresses the issue of documented patient visits that do not identify the actual service provided.

The district states, "It is ironic and entirely unacceptable for the Controller to adjust claimed costs for insufficient documentation when the auditor chose documents never intended nor designed for cost accounting as the basis for these findings and then criticized the District's source documentation." The SCO did not "choose" the documents. The SCO requested that the district provide documentation supporting actual services provided, in accordance with the parameters and guidelines' requirements. In response, the district provided copies of the health service logs. The district provided no other documentation to support actual services provided. The SCO did not "criticize" the source documentation, but instead noted instances in which the source documentation either did not identify the actual health services provided or identified unallowable services.

**FINDING 2—  
Unallowable services  
and supplies**

The district claimed unallowable services and supplies totaling \$21,067. The related indirect costs total \$6,497.

The district claimed \$12,305 to provide medical services at sporting events and physical examinations for intercollegiate athletes. Education Code section 76355, subdivision (d)(2), states that authorized expenditures shall not include physical examinations for intercollegiate athletics and the salaries of health professionals for athletic events.

In addition, the district claimed \$3,568 for laboratory service costs and \$5,194 for immunization costs. The district’s claims show that it did not provide these services during FY 1986-87. The parameters and guidelines state that a community college district may claim costs only for those health services that it provided in FY 1986-87.

The following table summarizes the audit adjustment:

	Fiscal Year			Total
	2002-03	2003-04	2004-05	
Services and supplies	\$ (5,830)	\$ (6,475)	\$ (8,762)	\$ (21,067)
Indirect costs	(1,729)	(1,968)	(2,800)	(6,497)
Audit adjustment	<u>\$ (7,559)</u>	<u>\$ (8,443)</u>	<u>\$ (11,562)</u>	<u>\$ (27,564)</u>

Recommendation

We recommend that the district claim costs only for those health services that it provided in FY 1986-87.

District’s Response

The audit findings do not state which tests and immunizations are disallowed, so it cannot be determined if the finding is accurate.

SCO’s Comment

Our finding and recommendation are unchanged. During our exit conference conducted January 10, 2008, we provided the district a detailed schedule showing each individual unallowable item, identified by both the district’s reference number and voucher number. The district did not provide any documentation to refute the audit finding.

**FINDING 3—  
Overstated and  
understated indirect  
cost rates claimed**

The district overstated its indirect cost rates for FY 2002-03 and FY 2003-04. The district understated its indirect cost rate for FY 2004-05. The overstated and understated indirect cost rates resulted in unallowable indirect costs totaling \$136,288.

The district prepared its FY 2002-03 and FY 2003-04 indirect cost rate proposals (ICRPs) using Office of Management and Budget (OMB) Circular A-21 methodology. However, the district did not obtain federal approval for these ICRPs.

The district prepared its FY 2004-05 ICRP using the SCO's FAM-29C methodology. However, the district did not prepare the ICRP according to the SCO's claiming instructions. The district prepared the FY 2004-05 ICRP using FY 2003-04 actual cost data and did not properly allocate costs as indirect costs or direct costs.

We calculated allowable indirect cost rates using the FAM-29C methodology that the SCO's claiming instructions allow. The following table summarizes the claimed and allowable indirect cost rates and the resulting audit adjustment.

	Fiscal Year			Total
	2002-03	2003-04	2004-05	
Allowable indirect cost rate	16.47%	16.26%	35.76%	
Claimed indirect cost rate	(29.66)%	(30.39)%	(31.96)%	
(Overstated)/understated indirect cost rate	(13.19)%	(14.13)%	3.80%	
Allowable direct costs claimed	\$ 577,502	\$ 591,315	\$ 616,785	
Audit adjustment	\$ (76,173)	\$ (83,553)	\$ 23,438	\$(136,288)

The parameters and guidelines state that "indirect costs may be claimed in the manner described by the State Controller in his claiming instructions." The SCO's claiming instructions state that districts must obtain federal approval for an ICRP prepared in accordance with OMB Circular A-21. Alternatively, the district may compute an indirect cost rate using Form FAM-29C, which is based on total fiscal year expenditures that the district reports in the California Community Colleges Annual Financial and Budget Report, Expenditures by Activity (CCFS-311).

#### Recommendation

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

#### District's Response

This finding results from the District calculating the indirect cost rate based upon how the CCSF-311 report characterizes the various accounts as direct or indirect costs. The Controller's method arbitrarily assigns certain costs to different categories. For example, for the first two fiscal years in this audit, the Controller does not include depreciation as an indirect cost, but does for the third fiscal year. The Controller insists that the rate be calculated according to the claiming instructions. The parameters and guidelines for Health Fee Elimination (as last amended on 5/25/89) state that "Indirect costs maybe claimed in the manner described by the State Controller in his claiming instructions." It does not require that indirect costs be claimed in the manner described by the State Controller. The District utilized the CCSF-311 classification of accounts which is more rational and consistent than the Controller's evolving formula.

SCO's Comment

Our finding and recommendation are unchanged. The district erroneously states that it calculated its indirect cost rates "based upon how the CCFS-311 report characterizes the various accounts as direct or indirect costs." The California Community Colleges Chancellor's Office's (CCCCO's) CCFS-311 report does not identify individual accounts as direct or indirect.

The SCO did not "arbitrarily" assign costs to direct or indirect cost categories. The SCO calculated indirect cost rates based on its claiming instructions applicable to each fiscal year. The SCO's Form FAM-29C methodology provides equitable rates that districts may use to allocate district administrative support costs to personnel that perform mandated program activities.

The district incorrectly concludes that the parameters and guidelines do not require that the district claim indirect costs according to the SCO's claiming instructions. The parameters and guidelines state, "Indirect costs may be claimed in the manner described by the State Controller in his claiming instructions." The district misinterprets "may be claimed" by concluding that compliance with the claiming instructions is voluntary. Instead, "may be claimed" simply permits the district to claim indirect costs. However, if the district chooses to claim indirect costs, then it must comply with the SCO's claiming instructions.

**FINDING 4—  
Unreported authorized  
health service fees**

The district did not report authorized health service fees totaling \$3,554,470.

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 (CSM) shall not find costs mandated by the State if the school district has the authority to levy fees to pay for the mandated program or increased level of service.

For the audit period, 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. The CCCCCO identified the fees authorized by Education Code section 76355, subdivision (a). For FY 2002-03 and FY 2003-04, the authorized fees are \$12 per semester and \$9 per summer session. For FY 2004-05, the authorized fees are \$13 per semester and \$10 per summer session.

We obtained student enrollment, Board of Governors Grant (BOGG) recipient, and apprenticeship program enrollment data from the CCCCCO. The CCCCCO data is based on student data that the district reported. We calculated total authorized health service fees using the authorized health service fee rates that the CCCCCO identified.

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

	Semester			Total
	Summer	Fall	Spring	
<b>Fiscal Year 2002-03:</b>				
Student enrollment	28,310	72,031	68,248	
BOGG recipients	(7,847)	(20,059)	(19,597)	
Apprenticeship program enrollees	(790)	(5,236)	(2,335)	
Students subject to health fee	19,673	46,736	46,316	
Authorized health fee rate	× \$ (9)	× \$ (12)	× \$ (12)	
Audit adjustment, FY 2002-03	<u>\$ (177,057)</u>	<u>\$ (560,832)</u>	<u>\$ (555,792)</u>	\$ (1,293,681)
<b>Fiscal Year 2003-04:</b>				
Student enrollment	25,500	67,881	67,013	
BOGG recipients	(9,579)	(23,472)	(23,344)	
Apprenticeship program enrollees	(674)	(2,244)	(2,499)	
Students subject to health fee	15,247	42,165	41,170	
Authorized health fee rate	× \$ (9)	× \$ (12)	× \$ (12)	
Audit adjustment, FY 2003-04	<u>\$ (137,223)</u>	<u>\$ (505,980)</u>	<u>\$ (494,040)</u>	(1,137,243)
<b>Fiscal Year 2004-05:</b>				
Student enrollment	25,290	67,316	67,936	
BOGG recipients	(11,302)	(27,138)	(27,250)	
Apprenticeship program enrollees	(1,385)	(2,461)	(1,671)	
Students subject to health fee	12,603	37,717	39,015	
Authorized health fee rate	× \$ (10)	× \$ (13)	× \$ (13)	
Audit adjustment, FY 2004-05	<u>\$ (126,030)</u>	<u>\$ (490,321)</u>	<u>\$ (507,195)</u>	(1,123,546)
Total audit adjustment				<u>\$ (3,554,470)</u>

### Recommendation

We recommend that the district deduct authorized health service fees from mandate-related costs claimed. The district should maintain records that support its calculation of authorized health service fees. These records should identify the actual non-duplicated student enrollment and students who are exempt from health service fees under Education Code section 76355, subdivision (c).

### District's Response

This finding reduces the claimed program costs by a calculated amount of student health services fees never collected. The District does not collect a student health services fee.

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



student is required to pay. The governing board may decide whether the fee shall be mandatory or optional." (Emphasis supplied in both instances)

The Parameters and Guidelines, as last amended on 5/25/89, state, in relevant part, "Any offsetting savings . . . must be deducted from the costs claimed . . . This shall include the amount of (student fees) as authorized by Education Code Section 72246 (a)<sup>1</sup>." The use of the term "offsetting savings" further illustrates the permissive nature of the fees. Student fees actually collected must be used to offset costs, but not student fees that could have been collected and were not.

The audit report also cites Government Code Section 17556 which only prohibits the Commission on State Mandates from finding costs in certain instances. Here, the Commission has already made a finding of a new program or increased costs.

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

#### SCO's Comment

Our finding and recommendation are unchanged. We agree that community college districts may choose not to levy a health service fee. However, Education Code section 76355, subdivision (a), provides districts the authority to levy a health service fee. The CCCCO notifies districts of the fee amount authorized pursuant to Education Code section 76355, subdivision (a).

Regardless of the district's decision to levy or not levy a health service fee, the district does have the *authority* to levy the fee. Government Code section 17514 states, "Costs mandated by the state' means any increased costs which a local agency or school district is *required* to incur . . ." [Emphasis added]." To the extent the district is authorized to collect health service fees attributable to health service expenses, it is not *required* to incur a cost. Therefore, those health service expenses do not meet the statutory definition of mandated costs.

In addition, Government Code section 17556, subdivision (d), state that the CSM shall not find costs mandated by the State if the district has the authority to levy fees to pay for the mandated program or increased level of service. For the Health Fee Elimination Program, the CSM did recognize that another funding source was available by including health service fees as offsetting savings in the parameters and guidelines. The result is the same: To the extent districts have the authority to charge a fee, they are not required to incur a cost.

**ADDITIONAL ISSUE—  
Claim Payment**

The district's response included comments regarding the amounts paid by the State, as shown in Schedule 1, Summary of Program Costs. The district's response and SCO's comment are as follows:

District's Response

The audit report asserts in several locations that the District was paid \$814,928 and this amount should be remitted to the state. The money was never "paid" to the District. The Controller offset the amount payable by reductions to payments for other mandate claims and fiscal years.

SCO's Comment

The claim payment amount is unchanged. The term "paid" is simply the past tense of "pay," which is defined as "discharging indebtedness"<sup>1</sup>. The State discharged its FY 2002-03 indebtedness to the district by equally discharging the district's indebtedness to the State for other mandated program claims.

---

<sup>1</sup> Merriam-Webster's Collegiate Dictionary, Tenth Edition

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

---

# LOS RIOS

COMMUNITY  
COLLEGE  
DISTRICT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED



March 11, 2008

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

Re: Chapter 1, Statutes of 1984  
Health Fee Elimination  
State Controller's Audit  
Fiscal Years: 2002-03, 2003-04, and 2004-05

Dear Mr. Spano:

This letter is the response of the Los Rios Community College District to the letter from Jeffrey V. Brownfield, Chief, Division of Audits, dated February 20, 2008, and received by the District on February 28, 2008, which transmitted the draft audit report for the above referenced mandate program and fiscal years.

## **Finding 1 - Unallowable salaries and benefits**

The draft audit report eliminates \$194,335 of salary and benefits for the three fiscal years. The stated reasons are that some of the services sampled exceeded those of the FY 1986-87 base year and that there was insufficient supporting documentation for other services. The audit work which generated these findings was a review of "service logs" for one month at each college for each fiscal year, with an additional month reviewed at Consumnes River College for one fiscal year. These logs are actually sign-in sheets in which persons obtaining service, with or without appointments, write their name and provide a four or five word description of their ailment. Some patients declined to state the reason for their visit, which is their right under state and federal laws, specifically HIPPA privacy laws.

Based on a review of these logs, the audit concluded that some visits were for services not provided in the base year, and where the patient declined to state the reason for the visit, the audit determined that this was insufficient documentation and thus disallowed the visit. These excess and unidentified services were determined to be "unallowable" and generated exception rates (ranging from about 4% to 24%) which were extrapolated to the entire cost of the salary and benefits for the student health services program.

American River College  
Cosumnes River College  
Folsom Lake College  
Sacramento City College

1919 Spanos Court  
Sacramento, CA 95825  
Phone: 916 568-3112  
Fax: 916 568-3061  
www.losrios.edu

These "service logs" are inappropriate as the basis for "findings" and extrapolation for the audit adjustments for several reasons:

-The service logs were not prepared for mandate or financial cost accounting purposes nor are they required by the parameters and guidelines. Neither the parameters and guidelines nor the Controller's claiming instructions require the claimants to report the number or type of service actually provided, but only require the claimant to provide an inventory of services available to students.

-There is no evidence that the one month of service logs reviewed for each of the three years (36 months of service) at each of the three colleges are representative of the entire year (total number of visits). There is definitely seasonal workload (fewer students in the summer) and seasonal staffing. The extrapolation assumes the workload and labor costs are the same each month.

-There is no evidence that the service logs record all of the services provided each month. The extrapolation is adjusting total salaries and benefits and therefore assumes that *all* staff labor is applied only to patient visits.

-There is no indication that the number of services provided in each of these months is a statistically valid sample of the scope of services provided. That is, patient visits may not be representative of all types of services provided.

-The time spent by staff to provide service varies by the type of service provided. The extrapolation assumes every patient visit requires the same amount of staff time to provide service.

-The audit disallows those visits for which no reason is stated by the patient. This essentially disallows services which are probably allowable. This penalizes the District for complying with privacy requirements.

-Extrapolation of sample findings requires a statistically valid sample. The service logs are not factually or statistically relevant to the cost of services so they cannot be used as a sample of services provided. The extrapolation of the exceptions to the total salary and benefits costs is not a relevant universe of cost for extrapolation of the service log. The audit report recommends that in the future the district maintain logs "that consistently identify the health services actually provided." This of course indicates that the auditor does not believe the current logs are representative of the services actually provided, yet the auditor used the logs for sampling and extrapolation. Therefore, the audit report concedes that findings are based on an incompetent source.

The audit report quotes the parameters and guidelines as the legal basis for the adjustment, specifically, that ". . . all costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs." It is ironic and entirely unacceptable for the Controller to adjust claimed costs for insufficient

documentation when the auditor chose documents never intended nor designed for cost accounting as the basis for these findings and then criticized the District's source documentation.

## **Finding 2 - Unallowable services and supplies**

### Lab and Immunization Services

The finding disallows \$3,568 for laboratory services and \$5,194 for immunizations which the audit concludes were not provided in the base-year. The source of this conclusion was the health services inventory which is part of the claim. The audit findings do not state which tests and immunizations are disallowed, so it cannot be determined if the finding is accurate.

## **Finding 3 - Overstated and understated indirect cost rates claimed**

This finding results from the District calculating the indirect cost rate based upon how the CCSF-311 report characterizes the various accounts as direct or indirect costs. The Controller's method arbitrarily assigns certain costs to different categories. For example, for the first two fiscal years in this audit, the Controller does not include depreciation as an indirect cost, but does for the third fiscal year.

The Controller insists that the rate be calculated according to the claiming instructions. The parameters and guidelines for Health Fee Elimination (as last amended on 5/25/89) state that "Indirect costs *may be claimed* in the manner described by the State Controller in his claiming instructions." It does not require that indirect costs be claimed in the manner described by the State Controller. The District utilized the CCSF-311 classification of accounts which is more rational and consistent than the Controller's evolving formula.

## **Finding 4 - Understated authorized health service fees**

This finding reduces the claimed program costs by a calculated amount of student health services fees never collected. The District does not collect a student health services fee.

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

The Parameters and Guidelines, as last amended on 5/25/89, state, in relevant part, "Any offsetting savings . . . must be deducted from the costs claimed . . . This shall include the amount of (student fees) as authorized by Education Code Section 72246(a)<sup>1</sup>." The use of the term "any offsetting savings" further illustrates the permissive nature of the fees. Student fees actually collected must be used to offset costs, but not student fees that could have been collected and were not.

The audit report also cites Government Code Section 17556 which only prohibits the Commission on State Mandates from finding costs in certain instances. Here, the Commission has already made a finding of a new program or increased costs.

The audit manager indicated at the entrance conference that this adjustment would be made and then stated at the exit conference that future claims would be audited to continue this adjustment. It would seem unnecessary to continue to burden the District and expend state staff resources for field audits when the Controller has decided that no costs will be allowed.

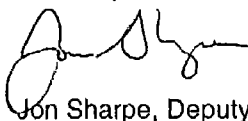
#### **Claim Payment**

The audit report asserts in several locations that the District was paid \$814,928 and this amount should be remitted to the state. The money was never "paid" to the District. The Controller offset the amount payable by reductions to payments for other mandate claims and fiscal years.

o o o

Therefore, for the reasons stated above, Los Rios Community College District requests that the audit report be changed to comply with the law.

Sincerely,



Jon Sharpe, Deputy Chancellor  
Los Rios Community College District

C: Jeffrey V. Brownfield, Chief, Division of Audits  
Keith Petersen, SixTen and Associates  
Carrie Bray, Director, Accounting Services  
Raymond Andres, General Accounting Supervisor

---

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

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

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





**McNamee, Vickie**

---

**From:** jmendoza@sco.ca.gov  
**Sent:** Monday, January 22, 2007 9:48 AM  
**To:** Bray, Carrie  
**Cc:** Andres, Raymond; svanee@sco.ca.gov  
**Subject:** Health Fee Elimination audit  
**Attachments:** Daily Logs Sample.xls

Hi Carrie,

I'd like to go ahead and schedule a time for me to visit the three campuses to look at their Health Services daily logs (i.e. logs identifying what services were provided on a given date). Attached is the sample I have selected that I would like to review. I am available the week of January 29th and February 5th. I am anticipating that it will take me a few days at each campus. Please let me know when the records will be available. Thanks for your help.

**Joyce Mendoza, Auditor**

State Controller's Office  
Division of Audits  
(916) 323-3098  
FAX (916) 324-7223

**Los Rios Community College District**  
**Legislatively Mandated Health Fee Elimination Program**  
**Audit Period from July 1, 2002 through June 30, 2005**

<b>Fiscal Year</b>	<b>ARC</b>	<b>CRC</b>	<b>SCC</b>
FY 2002-03	October 2002	April 2003	September 2002
FY 2003-04	March 2004	November 2003	April 2004
FY 2004-05	September 2004	May 2005	February 2005

Note: Please provide daily logs for the months indicated above.



*California Community Colleges*

# **Budget and Accounting Manual**

*2000 Edition*



***Board of Governors***

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***Chancellor's Office  
Sacramento, California***

**California Community Colleges**

**BUDGET AND  
ACCOUNTING MANUAL**

2000 Edition

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Officially approved by the  
**Board of Governors**

in accordance with *Education Code* Section 70901  
for required use by California Community Colleges

Prepared under the direction of the  
**Fiscal Policy Division of the Chancellor's Office**  
**California Community Colleges**

with the cooperation of the  
**Association of Chief Business Officers Board**



## Publishing Information

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The California Community Colleges, *Budget and Accounting Manual, 2000 Edition*, was approved by the Board of Governors. This edition was prepared under the direction of the Fiscal Policy Division of the Chancellor's Office in cooperation with the Association of Chief Business Officers Board. The members of the Board of Governors at the time this edition of the manual was approved were:

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The California Community Colleges, *Budget and Accounting Manual* was distributed under the provisions of the Library Distribution Act and *Government Code* Section 11096.

Copies of the manual are available on a limited basis. Requests should be sent to the Chancellor's Office, Fiscal and Business Services Unit, 1102 Q Street, Sacramento, CA 95814-6511. This manual is also available on the Internet at the Chancellor's Office Website at <http://www.cccco.edu/> within the Fiscal Policy Division.

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## *Preface*

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This revision of the Budget and Accounting Manual, effective July 1, 2000, presents primarily technical changes to update and improve the accounting procedures of the California Community Colleges. No new program nor increased level of district effort is mandated by this revision. Our goal continues to be to make those changes necessary to achieve greater conformance with generally accepted governmental accounting principles, promote greater consistency and validity of reported financial data, and make the manual more useful for all users.

There will always be accounting issues that need to be addressed. Therefore, it is expected that this manual will be periodically revised and updated.

Thomas J. Nussbaum  
Chancellor

Glee Johnson  
Deputy Chancellor

Patrick J. Lenz  
Vice Chancellor  
Fiscal Policy

Gary L. Cook  
Administrator  
Fiscal and Business Services

Sacramento  
September 1999

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## *Acknowledgements*

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The following individuals served on the Fiscal Standards and Accountability Committee of the Association of Chief Business Officials Board and were responsible for the review and update of this manual:

Louise Davatz, Co-Chair, Los Rios Community College District

Cheryl Miller, Co-Chair, Santa Monica Community College District

John Puthuff, State Coordinator, Chancellor's Office

Lois Meyer, Palomar Community College District

Nancy Rice, Mt. San Antonio Community College District

Teresa Scott, Yosemite Community College District

Jack Sherman, San Bernardino Community College District

Elias Regalado, Chancellor's Office

Robert Wickstrom, Sierra Joint Community College District

In addition to these members of the Fiscal Standards and Accountability Committee, there were a number of additional district volunteers that provided input to this project. Their assistance is greatly appreciated.

Special thanks to the Finalization Task Group responsible for putting the manual in its final form:

Cory Wathen, Los Rios Community College District

Vicki Reader, Sierra Joint Community College District

Elias Regalado, Chancellor's Office

The Chancellor's Office also recognizes Louise Davatz, Chief Business Officer of the Los Rios Community College District, for many years of outstanding service in developing and improving the Budget and Accounting Manual. Louise participated on the committees that produced an updated manual effective in 1983, 1985, 1993, and the current manual to be effective in 2000. Louise has added depth and continuity to the development process that has contributed to an improved accounting system for the community colleges.

## Accounting for Expenditures and Other Outgo

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### GENERAL

This chapter explains procedures for community college districts to use in accounting for expenditures (payments for employee compensation, goods and services). This chapter prescribes the minimum accounting standards for classifying expenditures by fund, activity, and object, and for abating expenditures.

Detailed expenditure accounting serves several important purposes in that it:

- provides districts with a uniform method of recognizing and classifying expenditures;
- captures information that districts must report in various financial statements; and
- facilitates district planning and budget preparation by providing historical information on costs of activities and programs.

The classification of expenditures by fund, discussed in Chapter 2, Fund Structure, establishes the rules for determining the appropriate fund and the timing for recognition of the obligation.

Generally, districts account for expenditures in the accounting period in which the liability is incurred. Consequently, reported expenditures will include both actual disbursements and recorded liabilities.

Minimum accounting standards for classifying expenditures by categorical programs within the Governmental Funds Group are not prescribed by this manual. Districts have the additional responsibility to maintain appropriate expenditure control in order to satisfy particular funding source requirements. Examples of such programs include, but are not limited to:

Federal	Vocational and Technical Education Act (VTEA)
State	Extended Opportunity Programs and Services (EOPS)
Local	Parking Services

***California Code of Regulations Section 58307*** limits district expenditures to the amount appropriated for each major expenditure classification as approved by the district governing board through adoption of the district budget (CCR §58305) or as amended by subsequent intrabudget transfers or other budget revisions. Because of this statutory control language, the budget, and all documents dealing with appropriations, must be prepared according to the same classification plan as that employed to account for expenditures.

## CLASSIFICATION OF EXPENDITURES BY ACTIVITY

The classification of expenditures by activity reflects the purpose of the expenditures; it shows the aspect of college-district operations benefited by the expenditure. Generally, all activities are classified as either instructional or administrative and support. Some expenditures may directly benefit more than one activity and are properly allocable to more than one activity. Expenditures allocable to one or more activities may include any combination of objects of expenditure, such as salaries, fringe benefits, supplies, other operating expenses, and capital outlay. In this manual, the word "salaries" has the same meaning as the term "salaries and wages." While certain activities are recorded in a specific fund, some activities may be charged to multiple funds. For example, Activity 6900, Ancillary Services, such as bookstore or cafeteria should be recorded in the appropriate Special Revenue or Enterprise fund, while Activity 6500, Operation and Maintenance of Plant, may be applicable in multiple funds.

Descriptions of authorized instructional activities are contained in the *Taxonomy of Programs (TOP)* manual. Although the TOP manual provides the mechanism for detailed reporting of instructional activities, districts are required, for State fiscal purposes, to report instructional expenditures using a four digit account code comprised of the TOP two digit Discipline in the first two positions and two zero placeholders in the last two positions. Districts are strongly encouraged to maintain TOP detail, at the local level, to four positions for all direct instructional activities.

Descriptions of authorized Administrative and Support Activities (ASA) are contained in this chapter. Districts are required, for State fiscal purposes, to report administrative and support expenditures using a four-digit account code comprised of the ASA codes identified in this chapter. Districts may create subsidiary activity categories as needed.

Local district autonomy in priority-setting, budgetary allocation, and expenditure is to be maintained.

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**INSTRUCTIONAL ACTIVITIES**

- 0100 Agriculture and Natural Resources
  - 0200 Architecture and Environmental Design
  - 0400 Biological Sciences
  - 0500 Business and Management
  - 0600 Communications
  - 0700 Computer and Information Science
  - 0800 Education
  - 0900 Engineering and Related Industrial Technologies
  - 1000 Fine and Applied Arts
  - 1100 Foreign Language
  - 1200 Health
  - 1300 Consumer Education and Home Economics
  - 1400 Law
  - 1500 Humanities (Letters)
  - 1600 Library Science
  - 1700 Mathematics
  - 1800 Military Studies
  - 1900 Physical Sciences
  - 2000 Psychology
  - 2100 Public Affairs and Services
  - 2200 Social Sciences
  - 3000 Commercial Services
  - 4900 Interdisciplinary Studies
  - 5900 Instructional Staff-Retirees' Benefits and Retirement Incentives
- 

Expenditures incurred for instructional activities are classified by controlling accounts (CA) 0100 through 5900 as shown above. The direct costs of classroom instruction are recorded by discipline within Activities 0100 through 4900. Costs of instruction include expenses incurred in offering credit and noncredit courses approved, either individually or as a part of some larger program, by the Chancellor's Office. Also included are the salaries, benefits, and related expenses of those coordinators, supervisors, departmental chairpersons and their support staff whose duties are directly related to specific instructional activities. Directors or coordinators whose duties are not related to direct instructional activities, such as directors of EOPS and DSPS and their support staff, are not recorded in these activities but rather in the appropriate administrative and support activity to which their efforts are directed.

Activity 5900, Instructional Staff-Retirees' Benefits and Retirement Incentives, includes expenditures on behalf of retired faculty and prepayments for retirement incentives and benefits that cannot be identified to specific disciplines. Examples of these payments could be to a State retirement system, to a self insurance fund, joint powers agency or private insurer. Activity 5900 is to be used only to record amounts expended for a district's share of retirees' health and other benefit costs and for retirement incentive pay for instructors, and instructional aides whose salaries qualified for inclusion as salaries of classroom instructors (CCR §59204).



Also included in Activity 5900 are the prorated portions of the district's share of retirees' health and other benefit costs and retirement incentive pay for qualified staff who were not assigned full-time to instructional assignments. If staff performed instructional and noninstructional assignments in their last year of service, charges made to this activity shall be in the same proportion as the time assigned to instruction was to the total assigned hours for each individual (see Activity 6740, Noninstructional Staff—Retirees' Benefits and Retirement Incentives).

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES**

6000	Instructional Administration and Instructional Governance
6100	Instructional Support Services
6200	Admissions and Records
6300	Student Counseling and Guidance
6400	Other Student Services
6500	Operation and Maintenance of Plant
6600	Planning, Policymaking, and Coordination
6700	General Institutional Support Services
6800	Community Services and Economic Development
6900	Ancillary Services
7000	Auxiliary Operations
7100	Physical Property and Related Acquisitions
7200	Long-Term Debt and Other Financing
7300	Transfers, Student Aid, and Other Outgo
7900	Appropriation for Contingencies (for budgetary purposes only)

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Expenditures incurred for administrative and support activities are classified by Activities 6000-7900 as shown above. The costs of administrative and support activities include expenses incurred in providing various noninstructional services to students, faculty, and the community, necessary to achieve the function of the institution.

The classification of Administrative and Support Activities presented here provides major and subsidiary reporting categories used in recording expenditures by activity. Districts may create subsidiary activity categories as needed.

While certain activities are recorded in a specific fund, some activities may be charged to multiple funds. For example, Activity 6900, Ancillary Services, such as bookstore or cafeteria should be recorded in the appropriate Special Revenue or Enterprise fund, while Activity 6500, Operation and Maintenance of Plant, may be applicable in multiple funds.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****6000 Instructional Administration and Instructional Governance**

- 6010 Academic Administration
  - 6020 Course and Curriculum Development
  - 6030 Academic/Faculty Senate
  - 6090 Other Instructional Administration and Instructional Governance
- 

This activity is used to record all expenditures associated with the administrative management of instructional activities. It includes the costs associated with the first level of administration immediately above the instructor. Positions at this level are commonly called (associate) deans of instruction or, in larger districts, division chairpersons. This activity includes salaries, benefits, and related expenses of these individuals and their support staff as well as the prorated portion of salaries, benefits and other expenses of faculty while serving on division or institutional committees, such as the Academic/Faculty Senate.

The costs of supervisors or coordinators and their support staff whose duties are specifically related to instructional activities are not recorded in this activity but rather in the appropriate TOP instructional activity (Activities 0100-4900). Also, directors or coordinators whose duties are not directly related to instructional activities, such as directors of EOPS and DSPS and their support staff, are not recorded in this activity but rather in the appropriate administrative and support activity to which their efforts are directed.

Activity 6000, Instructional Administration, is the controlling account that summarizes expenditures recorded in the following subsidiary activity categories:

**6010 Academic Administration**

Expenditures for current academic operations, including scheduling and starting of classes, identification and requisition of needed materials and equipment, and evaluation of instructors, courses, and programs.

**6020 Course and Curriculum Development**

Expenditures for activities established to improve or significantly add to instructional offerings. Costs of curriculum committees are included within this category even though some of their efforts are spent on current-year course administration problems.

**6030 Academic/Faculty Senate**

Expenditures for the prorated portion of salary, benefits and other expenses of faculty while serving on behalf of the Academic/Faculty Senate. This includes the salary and

benefits of faculty released to serve on collective bargaining. Also included here would be support staff and other operating expenses.

**6090 Other Instructional Administration and Instructional Governance**

Expenditures for the prorated portion of salary, benefits and other expenses of faculty while serving on instructional administrative and governance assignments that do not fall in the above categories (e.g., accreditation). Also included here would be support staff and other related operating expenses.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****6100 Instructional Support Services**

- 6110 Learning Center
  - 6120 Library
  - 6130 Media
  - 6140 Museums and Galleries
  - 6150 Academic Information Systems and Technology
  - 6190 Other Instructional Support Services
- 

Activity 6100, Instructional Support Services, is the controlling account that is used to record expenditures for services directly provided by the following operations as supplement to the instructional effort within the appropriate subsidiary activity category:

**6110 Learning Center (Learning Resource Center)**

Expenditures for the operation of the learning center. A learning center is defined as the specific location set aside for the general student body and faculty to supplement instructional activities and provide educational enrichment for students. Activities in the learning center may generate Full-Time Equivalent Students (FTES) for State funding purposes if all requirements for generating FTES are met. Direct costs incurred in generating FTES must be reported in the appropriate instructional activity.

The center may contain audio-visual and computer equipment and nonprint media such as tapes, slides, films, records, and programmed materials to assist students in their studies and may be located within the college library. The library, as used in this section, is not synonymous with the learning center.

Examples of activities conducted in the learning center include, but are not limited to, tutorial, self-study, programmed instruction, and language laboratory.

**6120 Library**

Expenditures for the operation of the general college library.

The costs of department libraries and reference books primarily for the use of instructors and staff are recorded within the appropriate instructional activities.

**6130 Media**

Expenditures for general institutionwide media (audio-visual) services, facilities, and equipment.

Examples include costs of teleconferencing, television and radio facilities, equipment, and personnel associated with providing media services for instructional programs where the costs are not separately identifiable to any specific instructional activities. Costs of television and radio operations beyond those for instructional services and support are recorded within Activity 7000, Auxiliary Operations.

Costs of services readily identifiable to one or several instructional activities are identified within those activities.

#### **6140 Museums and Galleries**

Expenditures for the operation of museums or galleries for collection, preservation, and exhibition of historical materials, art objects, scientific displays, etc.

#### **6150 Academic Information Systems and Technology**

Expenditures for instructional data processing and data management services. This activity is to be used if the district prorates or identifies instructional information systems expenditures and does not allocate such expenditures to individual instructional activities. (See Activity 6780, Management Information Systems.)

#### **6190 Other Instructional Support Services**

Expenditures for instructional support services not listed above.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES**

**6200 Admissions and Records**

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This activity is used to record all expenditures associated with student admissions and evaluations, including expenditures incurred in maintaining student records, statistics and reports, conducting transfer evaluations and registrations, and processing transcripts and degree certifications.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****6300 Student Counseling and Guidance**

- 6310 Counseling and Guidance
  - 6320 Matriculation and Student Assessment
  - 6330 Transfer Programs
  - 6340 Career Guidance
  - 6390 Other Student Counseling and Guidance
- 

This activity is used to record all costs associated with formal student counseling and career guidance, but not costs associated with instructors' informal counseling. Costs of applicable activities include those associated with assisting students to select an occupation, to plan a program of study, or to deal with personal problems or other matters that affect academic performance. Costs of special testing services used to determine a student's aptitude for certain professions shall also be recorded as Student Counseling and Guidance activity expenditures.

This activity includes, but is not limited to, the salaries, benefits, and related expenses of counselors and support staff; operating expenses of the counseling office; supplies and materials; and testing equipment used by the counselors and guidance personnel.

Activity 6300, Student Counseling and Guidance, is the controlling account that summarizes expenditures recorded in the following subsidiary activity categories:

**6310 Counseling and Guidance**

Expenditures for general counseling and guidance.

**6320 Matriculation and Student Assessment**

Expenditures for the costs of instituting effective processes and services that are supportive of and aid in the success and assessment of students in establishing and achieving their educational goals.

**6330 Transfer Programs**

Expenditures for the costs associated with helping students determine requirements to transfer to other institutions of higher education.

**6340 Career Guidance**

Expenditures for career guidance.

**6390 Other Student Counseling and Guidance**

Expenditures for counseling and guidance activities not identified above.



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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****6400 Other Student Services**

- 6420 Disabled Students Programs and Services (DSPS)
  - 6430 Extended Opportunities Programs and Services (EOPS)
  - 6440 Health Services
  - 6450 Student Personnel Administration
  - 6460 Financial Aid Administration
  - 6470 Job Placement Services
  - 6480 Veterans Services
  - 6490 Miscellaneous Student Services
- 

This activity is used to record all expenditures associated with providing to students the services listed above as subsidiary detail of Controlling Account 6400. Such services are not recorded within any other activity classification.

It should be noted that these services generally are not programs and, therefore, not all program costs will necessarily be identified within any one activity. For example, the cost of processing a veteran's application for educational benefits should be recorded within Activity 6480, Veterans Services; but, the payment to the veteran should be recorded within Activity 7320, Student Aid.

The two major categorical programs, DSPS and EOPS, are treated separately within this activity because they are perceived and administered as separate entities within the district. The costs of other categorical programs are to be recorded in the applicable activity codes, such as Counseling and Guidance or Other Student Services. Costs of EOPS and DSPS directors and coordinators and their support staff are recorded in these activities.

Activity 6400, Other Student Services, is the controlling account that summarizes expenditures recorded in the following subsidiary activity categories:

**6420 Disabled Students Programs and Services (DSPS)**

Expenditures for administration of the DSPS program and for direct services to DSPS students, excluding grants or other direct aid to students. Payments are recorded within Activity 7320, Student Aid. These payments are made from the Student Financial Aid Trust Fund, not the General Fund.

**6430 Extended Opportunities Programs and Services (EOPS)**

Expenditures for administration of the EOPS program and for direct services to EOPS students, excluding grants or other direct aid to students. Payments are recorded within Activity 7320, Student Aid. These payments are made from the Student Financial Aid Trust Fund, not the General Fund.

**6440 Health Services**

Expenditures to provide medical, dental, psychiatric, and nursing services, as well as student health insurance.

Student Health Fee revenues are recorded in Account 8876, Health Services in the General Fund–Restricted Subfund. Health Services Fees collected are restricted to allowable health services expenditures in accordance with *Education Code* Section 76355(d) and *California Code of Regulations* Section 54700 et seq. Any health services expenditures above the fees collected are from General Fund–Unrestricted Subfund moneys.

Districts subject to the maintenance-of-effort requirement of *Education Code* Section 76355(e) must separately identify these costs within this activity.

**6450 Student Personnel Administration**

Expenditures for college or district administration of student personnel activities, including costs of the dean of students, supporting staff and other operating expenses.

**6460 Financial Aid Administration**

Expenditures to administer grants, scholarships, loans, and other financial aid to students, including costs of determining student financial need.

Actual aid payments are recorded within Activity 7300, Student Aid.

**6470 Job Placement Services**

Expenditures for services to assist students in obtaining employment, such as providing job referral, assisting students to develop job finding skills, and coordinating on-campus interviews with employers.

Included here would be economic development activities, such as working with the community in the area of job creation and workforce development.

**6480 Veterans Services**

Expenditures to provide services to veterans and their dependents.

Applicable services would include the dissemination of information and verification of eligibility for educational benefits.

**6490 Miscellaneous Student Services**

Expenditures for other services for special student groups or the general student population.

Services include student transportation and coordination or referrals for housing. Special student groups include economically disadvantaged, women, and minorities. Although the Chancellor's Office does not require separate accounting of other costs, districts may need to maintain detailed records to fulfill the reporting requirements of other funding agencies or to facilitate budget preparation.

The operation of housing facilities such as dormitories are reported within Activity 6900, Ancillary Services.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****6500 Operation and Maintenance of Plant**

- 6510 Building Maintenance and Repairs
  - 6530 Custodial Services
  - 6550 Grounds Maintenance and Repairs
  - 6570 Utilities
  - 6590 Other Operation and Maintenance of Plant
- 

This activity is used to record all expenditures associated with the routine operation and maintenance of buildings and grounds.

The following are expenditures that should **not** be charged to this activity, but instead should be charged to Activity 7100, Physical Property and Related Acquisitions.

- Purchase of land and buildings
- Initial equipping of buildings
- Purchase of equipment permanently affixed to buildings
- Construction of buildings
- Modifications that improve the functionality or extend the useful life of land or buildings
- Nonroutine repair and maintenance of buildings and other structures (e.g., scheduled maintenance and special repair items defined under *Education Code* Section 84660)
- Upgrades of telecommunications and information technology infrastructure

Repairs or replacements of equipment, including furniture, identifiable to specific activities are charged to those activities and not to Activity 6500, Operation and Maintenance of Plant.

Activity 6500, Operation and Maintenance of Plant, is the controlling account that summarizes expenditures recorded in the following subsidiary activity categories:

**6510 Building Maintenance and Repairs**

Expenditures for activities related to routine repair and maintenance of buildings and other structures, including preventive maintenance.

Repairs of items attached to and considered integral parts of buildings or other structures are also included.

**6530 Custodial Services**

Expenditures for custodial supplies and services.

**6550 Grounds Maintenance and Repairs**

Expenditures for the maintenance of landscapes and grounds.

Repairs of both grounds and grounds maintenance equipment, including underground systems such as sprinklers, are included. Repairs of underground systems not a part of the grounds, such as sewers, underground communications lines, and power lines, are reported within Activity 6590, Other Operation and Maintenance of Plant.

**6570 Utilities**

Expenditures for gas, water, electricity, telephone and other utilities necessary for the operation of the physical plant.

**6590 Other Operation and Maintenance of Plant**

Expenditures for all other plant maintenance and operation expenditures, including equipment repairs not assignable to any other activity.

Repairs of underground systems not a part of the grounds, such as sewers, underground communications lines, and power lines, are reported within this activity.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES**

**6600 Planning, Policymaking, and Coordination**

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This activity is used to record all expenditures associated with executive-level activities, such as board meetings or long-range planning, associated with management of a district. Applicable costs include expenditures for governing board and senior executive officers. Expenses for executive support staff, as well as expenditures for operating costs of the executive offices including legal services, analytical studies, institutional budget planning, and facilities development are also included.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****6700 General Institutional Support Services**

- 6710 Community Relations
  - 6720 Fiscal Operations
  - 6730 Human Resources Management
  - 6740 Noninstructional Staff-Retirees' Benefits and Retirement Incentives
  - 6750 Staff Development
  - 6760 Staff Diversity
  - 6770 Logistical Services
  - 6780 Management Information Systems
  - 6790 Other General Institutional Support Services
- 

This activity is used to record all expenditures incurred in conducting district business services operations. Activity 6700, General Institutional Support Services, is the controlling account that summarizes expenditures recorded in the following subsidiary activity categories:

**6710 Community Relations**

Expenditures in developing and maintaining relationships with the general community, alumni, or other constituents, and conducting community fund raising activities.

**6720 Fiscal Operations**

Expenditures for budget control, audits, accounting, and fiscal management of contracts, grants, and investments.

**6730 Human Resources Management**

Expenditures for personnel management and maintenance of employee records.

**6740 Noninstructional Staff-Retirees' Benefits and Retirement Incentives**

Expenditures for a district's share of retirees' health and other benefit costs and retirement incentive pay for noninstructional staff. Costs of benefits for retired instructional staff are to be charged to Activity 5900, Instructional Staff-Retirees' Benefits and Retirement Incentives.

Included are the prorated portions of the district's share of retirees' health and other benefit costs and retirement incentive pay for qualified staff who were not assigned full-

time to noninstructional assignments. (See explanation of pro rated costs under Activity 5900, Instructional Staff-Retirees' Benefits and Retirement Incentives.)

#### **6750 Staff Development**

Expenditures for staff development, including amounts expended in accordance with the provisions of *Education Code* Section 87150 et seq. (Assembly Bill 1725/88). Sufficiently detailed records must be maintained to assure compliance with specific funding requirements of statutes and applicable regulations. Salary cost of attendance in staff development activities should be charged to the attendees regular salary activity. Costs such as transportation, tuition, etc. should be charged to Activity 6750.

#### **6760 Staff Diversity**

Amounts chargeable to enhancement of staff diversity, in accordance with the provisions of *Education Code* Section 87107 et seq. (Assembly Bill 1725/88), and applicable regulations.

#### **6770 Logistical Services**

Expenditures for campus security, fire protection, purchasing, warehouse and stores, environmental safety, insurance, central equipment and property management, garage and motor pool for staff transportation, and communication services such as reproduction, printing, noninstructional telecommunication services and mail services. As a district option, costs of services readily identified to one or more activities may be allocated accordingly. Monthly telephone usage and service charges are charged to Activity 6570, Utilities.

#### **6780 Management Information Systems**

Expenditures for noninstructional data processing and data management services. If a district prorates its information systems, the instructional portion could be allocated to the appropriate instructional activities or recorded within Activity 6150, Academic Information Systems and Technology.

#### **6790 Other General Institutional Support Services**

Expenditures for general institutional support services not listed above.



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**ADMINISTRATIVE AND SUPPORT ACTIVITIES**
**6800 Community Services and Economic Development**

- 6810 Community Recreation
  - 6820 Community Service Classes
  - 6830 Community Use of Facilities
  - 6840 Economic Development
  - 6890 Other Community Services and Economic Development
- 

This activity is used to record expenditures associated with providing general public services to the community-at-large or to business and special groups within the community. Applicable costs for community services include expenditures for conferences, lecture series, institutes, classes, and recreational activities, as well as the costs of providing facilities for the nonpartisan benefit of the community-at-large. Applicable costs for Economic Development include expenditures for education and services provided to the business community to advance California's economic growth and global competitiveness.

Activity 6800, Community Services and Economic Development, is the controlling account that summarizes expenditures recorded in the following subsidiary activity categories:

**6810 Community Recreation**

Expenditures to organize, promote and conduct community recreation programs sponsored by the district. **Governing boards shall not expend State general fund moneys for this purpose.**

**6820 Community Service Classes**

Expenditures as authorized by *Education Code* Section 78300 et seq., and implementing regulations in *California Code of Regulations* Section 55160 to provide instruction that contributes to the physical, mental, moral, economic, or civic development of individuals or groups enrolled therein, including the costs of contracted community service classes in music, drama, art, handicraft, science, literature, nature study, and athletics.

This excludes costs of courses approved by the Chancellor's Office either individually or as part of a credit or noncredit program, which are recorded within the applicable Instructional Activities 0100-4900. **Governing boards shall not expend State general fund moneys to establish and maintain community service classes.**

**6830 Community Use of Facilities**

Expenditures as authorized by *Education Code* Section 82537 et seq., to provide college buildings or grounds for public, literary, scientific, recreational, educational, or public agency meetings, or for the discussion of matters of general or public interest, subject to the limitations set forth in those sections.

**6840 Economic Development**

Expenditures pursuant to *Education Code* Section 66010.4(a)(3) and *Government Code* Section 15379.20 et seq., for services provided to the business community to advance California's economic growth and global competitiveness through education and services focusing on continuous workforce improvement, technology deployment, and business development. Expenditures for services to students should be recorded in the appropriate instructional or student services activity.

**6890 Other Community Services and Economic Development**

Expenditures for community services and economic development not identified above.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****6900 Ancillary Services**

- 6910 Bookstores
  - 6920 Child Development Centers
  - 6930 Farm Operations
  - 6940 Food Services
  - 6950 Parking
  - 6960 Student and Co-curricular Activities
  - 6970 Student Housing
  - 6990 Other Ancillary Services
- 

This activity is used to record all expenditures for the operation of ancillary services (generally defined as self-sufficient entities providing services to students, faculty, and staff).

For most of the expenditures attributable to these activities, the appropriate Special Revenue Fund or Enterprise Fund, such as the Bookstore Fund, should be charged, rather than the General Fund. Examples of General Fund charges would be parking, co-curricular activities, and the incidental cost of administration or general support for these ancillary services activities.

Activity 6900, Ancillary Services is the controlling account that summarizes expenditures recorded in the following subsidiary activity categories:

**6910 Bookstores**

Expenditures for the operation of district bookstores.

**6920 Child Development Centers**

Expenditures for day care centers; for learning laboratories for students enrolled in child development or child care programs; or for services to develop children's physical, mental, and educational skills.

**6930 Farm Operations**

Expenditures for farm operations.

**6940 Food Services**

Expenditures as authorized by *California Code of Regulations* Section 59013 for food vending machines and cafeteria operations.

**6950 Parking**

Expenditures as authorized by *Education Code* Section 76360 for parking services and facilities which include the administration of and direct services related to the purchase, construction, and operation and maintenance of parking facilities.

**6960 Student and Co-curricular Activities**

Expenditures for student and co-curricular activities that the district has elected to provide above and beyond the regular instructional program. Co-curricular activities are activities and events that are an extension of classroom instruction or related community college programs.

(Examples include the costs of such items as student newspapers, intramural athletics, intercollegiate athletics, and clubs.)

**6970 Student Housing**

Expenditures for the operation of dormitories and other housing facilities.

**6990 Other Ancillary Services**

Expenditures for all other ancillary services, including such items as student transportation services.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****7000 Auxiliary Operations**

7010 Contract Education

7090 Other Auxiliary Operations

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This Activity is used to record expenditures within certain operations auxiliary to the regular instructional program, such as the operation of commercial rental property for income, that portion of radio or television station operations beyond that necessary for instruction and instructional services, or certain contract education classes.

This activity is not to be confused with auxiliary organizations formed under *Education Code* Section 72670 et seq.

Activity 7000, Auxiliary Operations, is the controlling account that summarizes expenditures recorded in the following subsidiary activity categories:

**7010 Contract Education**

Expenditures to conduct contracted classes that do not generate FTES (CCR §58050).

Contract Education classes are distinguished from Community Service classes (Activity 6820) by their intent to exclusively serve selected clientele.

Contract Education classes that generate FTES are to be reported within the applicable Instructional Activities 0100-4900.

**7090 Other Auxiliary Operations**

Expenditures for all other Auxiliary Operations.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****7100 Physical Property and Related Acquisitions**

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This classification is used to record expenditures for capital outlay required in developing campus facilities. The following are examples of expenditures that should be charged to this activity:

- purchase of land and buildings
- initial equipping of buildings
- purchase of equipment permanently affixed to buildings
- construction of buildings
- modifications that improve the functionality or extend the useful life of land or buildings
- nonroutine repair and maintenance of buildings and other structures (e.g., scheduled maintenance and special repair items defined under *Education Code* Section 84660)
- upgrades of telecommunications and information technology infrastructure

The portion of the salaries and benefits of district personnel (e.g., Facilities and Information Technology managers, facilities planners, and support staff) related to the above expenditures are also charged to this activity.

If a district uses a day labor or force account, within the limits of the law, *Public Contract Code* Section 20650 et seq., for the above activities, the expenditures should be a direct charge to this activity.

Expenditures related to parking facilities are recorded within Activity 6950, Parking Expenditures for equipment purchased for a specific instructional or administrative and instructional support activity are recorded within that particular activity, except for initial equipping of buildings. Expenditures included within Activity 6500, Operation and Maintenance of Plant, would also not be recorded here.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES**

**7200 Long-Term Debt and Other Financing**

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This activity is used to record expenditures for principal, interest, and other costs (e.g., service charges) associated with long-term debt and interest and other costs associated with short-term debt.

**7210 Long-Term Debt**

Expenditures for payments of principal, interest, and other related service fees for bonds or other indebtedness [Object 7100, Debt Retirement (Long Term Debt)]. This activity is also used to record the amount deducted from General Apportionment by the State Controller for repayment of emergency apportionment (CCR §58316).

**7220 Tax Revenue Anticipation Notes (TRANS)**

Expenditures for interest and related service fees for TRANS [Object 5000, Interest (Current Loans)].

**7290 Other Financing**

Expenditures for other financing.

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**ADMINISTRATIVE AND SUPPORT ACTIVITIES****7300 Transfers, Student Aid, and Other Outgo**

- 7310 Transfers
  - 7320 Student Aid
  - 7390 Other Outgo
- 

This activity is used to record transfers, student aid, and other outgo. Activity 7300, Transfers and Student Aid, is the controlling account that summarizes expenditures recorded in the following subsidiary activity categories:

**7310 Transfers**

Amounts transferred from one fund to another (interfund transfers) and amounts transferred to/from the General Fund Unrestricted Subfund and the General Fund Restricted Subfund (intrafund transfer), as well as amounts transferred to the district from a lapsed or reorganized community college district.

Transfers made as a temporary loan or otherwise intended to be reimbursed shall not be recorded here but shall be accounted for in the balance sheet accounts as "Due To" or "Due From."

**7320 Student Aid**

Expenditures for direct financial aid payments to or for students, as well as maintenance allowance paid under *California Code of Regulations* Section 54200. Financial aid payments include direct financial aid (scholarships, grants, and loans) and payments to or for students for enrollment fees, books, supplies, and child care services, etc.

Work-study payments are reported as salaries within the activity receiving the benefit of the students' services.

**7390 Other Outgo**

Expenditures for other uses of funds such as bankruptcy losses, investment losses and other outgo.



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**ADMINISTRATIVE AND SUPPORT ACTIVITIES**

**7900 Appropriation for Contingencies (for budgetary purposes only)**

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This activity is an appropriation classification only; no expenditures shall be recorded within this activity.

This activity is used to record that portion of the current fiscal year's appropriation not designated for any specific purpose and held available for transfer to specific appropriations as needed during the fiscal year .

This activity is not to be confused with the General Reserve, which is a balance sheet account used to record the reserve budgeted to provide operating cash in the succeeding fiscal year until local property taxes and State funds become available.

Transfers to/from contingencies must be approved by a two-thirds vote of the board of trustees (CCR §58307).

## CLASSIFICATION OF EXPENDITURES BY OBJECT

District expenditures are classified both by activity and by object. Classification of expenditures by activity is explained in the preceding section of this chapter. In this manual, the word “salaries” has the same meaning as the term “salaries and wages.”

Expenditure classification by object is the accounting segregation of expenditures into seven major categories:

1. Academic Salaries
2. Classified Salaries and Other Nonacademic Salaries
3. Employee Benefits
4. Supplies and Materials
5. Other Operating Expenses and Services
6. Capital Outlay
7. Other Outgo

Costs may be incurred for expenditures that include more than one object. Such costs are prorated on an equitable basis to the objects or services received. For example, if a faculty employee provides classroom instruction half time and acts as a student counselor half time, that individual's salary must be prorated one-half to Object 1100, Instructional Salaries, Contract or Regular Status, and one-half to Object 1200, Noninstructional Salaries, Contract or Regular Status.

The classification by object presented here provides major and subsidiary reporting categories to be used in recording expenditures. Account numbers have not been prescribed for some subordinate reporting classes in order that districts have discretionary control over the assignment of account numbers. Districts may create subsidiary object categories as needed.

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**1000 Academic Salaries**

- 1100 Instructional Salaries, Contract or Regular Status
  - 1200 Noninstructional Salaries, Contract or Regular Status
  - 1300 Instructional Salaries, Other
  - 1400 Noninstructional Salaries, Other
- 

This object is used to record all expenditures for salaries of employees in academic positions that require minimum qualifications established by the Board of Governors pursuant to *Education Code* Section 87356. (See CCR §53400 and EC §§87001, 87002, and 87003 for definitions.) If an individual is occupying two positions, only one of which requires minimum qualifications, then only that portion of the individual's salary related to the position requiring minimum qualifications shall be reported within Object 1000, Academic Salaries.

The employment status of Academic Employees is determined pursuant to *Education Code* Section 87477.

Object 1000, Academic Salaries, is the controlling account that summarizes expenditures recorded in the following subsidiary object categories:

**1100 Instructional Salaries, Contract or Regular Status**

Expenditures for the full or prorated portions of salaries of all employees in contract or regular faculty positions. Contract employee means an employee of a district who is employed on the basis of a contract in accordance with *Education Code* Sections 87601, 87605, 87608, or 87608.5. Regular employee means an employee of a district who is employed in accordance with *Education Code* Sections 87601, 87608, 87608.5, or 87609.

This object also includes the following expenditures:

- Prorated salaries of contract or regular instructors working a reduced load or whose assignment includes both instructional and noninstructional duties.
- Pro-rated salaries of administrators having a teaching assignment as part of their regular work assignment
- Salaries of instructors on sabbatical leave
- Extra duty days or assignments paid as a part of an instructor's regular salary

Salaries of instructors designated as temporary employees pursuant to *Education Code* Section 87477 and overload and stipend pay for instructors designated as contract employees or as regular employees are recorded within Object 1300, Instructional Salaries, Other, or Object 1400 Noninstructional Salaries, Other, as appropriate.

Authorized duties of academic employees whose salaries are to be reported in this object account include, but are not limited to:

- Classroom instruction to students
- Preparation for and evaluation of classroom work
- Extracurricular activities that arise out of, or are extensions of, classroom work
- Duties ordinarily assigned to faculty personnel in connection with the custody and control of students in situations other than in the classroom (work experience programs or field trips)
- Intermittent duties as assigned either individually or in connection with committee work, in-service training, or institutes whose purpose is the evaluation or improvement of the educational program in the district

#### **1200 Noninstructional Salaries, Contract or Regular Status**

Expenditures for the full and prorated portions of salaries of employees in contract or regular noninstructional academic positions.

Districts shall record such noninstructional salaries within the applicable subobject:

##### ***Educational Administrators***

Expenditures for the salaries of educational administrators. *Education Code* Section 87002 and *California Code of Regulations* Section 53402 define "educational administrator" as an administrator who is employed in an academic position designated by the governing board of the district as having direct responsibility for supervising the operation of or formulating policy regarding the instructional or student services program of the college or district. Educational administrators include, but are not limited to, chancellors, presidents, and other supervisory or management employees designated by the governing board as educational administrators. This subobject may include the salaries of chief business officers, chief human resources officers, chief information system officers, etc., if these positions are designated by the governing board as being educational administrator positions.

##### ***Other***

Expenditures for the salaries of academic employees, other than educational administrators, in contract or regular noninstructional academic positions. This includes librarians, counselors, community college health professionals, disabled students programs and services professionals, extended opportunity programs and

services professionals, and faculty on noninstructional assignments. Sabbatical Leave for these employees is also included.

### **1300 Instructional Salaries, Other**

Expenditures for the full or prorated portions of salaries of instructors who have **not** been designated as contract or regular employees. Included are the salaries of instructors designated as temporary employees pursuant to *Education Code* Section 87477 and overload and stipend pay for instructors designated as contract employees or as regular employees.

### **1400 Noninstructional Salaries, Other**

Expenditures for the full and prorated portions of salaries of noninstructional academic employees who have **not** been designated as contract or regular employees.

Districts shall record such noninstructional salaries within the applicable subobject:

#### ***Educational Administrators***

Expenditures for the salaries of educational administrators. *Education Code* Section 87002 and *California Code of Regulations* Section 53402 define "educational administrator" as an administrator who is employed in an academic position designated by the governing board of the district as having direct responsibility for supervising the operation of or formulating policy regarding the instructional or student services program of the college or district. Educational administrators include, but are not limited to, chancellors, presidents, and other supervisory or management employees designated by the governing board as educational administrators. This subobject may include the salaries of chief business officers, chief human resources officers, chief information system officers, etc., if these positions are designated by the governing board as being educational administrator positions.

#### ***Other***

Expenditures for the salaries of academic employees, other than educational administrators, in positions **not** designated as contract or regular noninstructional academic positions. This includes librarians, counselors, disabled students programs and services professionals, extended opportunity programs and services professionals, and faculty on noninstructional assignments.

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**2000 Classified and Other Nonacademic Salaries**

- 2100 Noninstructional Salaries, Regular Status
  - 2200 Instructional Aides, Regular Status
  - 2300 Noninstructional Salaries, Other
  - 2400 Instructional Aides, Other
- 

This object is used to record all expenditures for salaries of employees in positions that **do not** require minimum qualifications established by the Board of Governors pursuant to *Education Code* Section 87356. This includes the salaries of employees in the classified service as defined in *Education Code* Section 87001.5 and those positions and employees specifically exempted by *Education Code* Sections 88003 and 88076 from the classified service. These exempted positions include, but are not limited to, full-time and part-time students employed part time in any college work-study program or in a work experience education program conducted by a district and which is financed by State or federal funds, professional experts employed on a temporary basis for a specific project, and apprentice positions.

Object 2000, Classified and Other Nonacademic Salaries, is the controlling account that summarizes expenditures recorded in the following subsidiary object categories:

**2100 Noninstructional Salaries, Regular Status**

Expenditures for the full and prorated portions of salaries of employees in regular classified and other regular nonacademic positions. *Education Code* Section 88001 defines “regular” as a classified employee who has probationary or permanent status.

This object may include, but is not limited to, the salaries of administrators not designated as academic administrators by the district governing board, professionals, supervisors, purchasing agents, clerical, maintenance workers, custodians, gardeners, telephone operators, security personnel, and data processing staff.

Districts shall record such nonacademic salaries within the applicable subobject:

***Administrators and Supervisors***

Expenditures for salaries of administrators and supervisors as defined in *Education Code* Section 84362.

***Other***

Expenditures for salaries of employees in regular classified positions that are not designated as administrators and supervisors.

## **2200 Instructional Aides, Regular Status**

Expenditures for the full and prorated portions of salaries paid to instructional aides (defined in EC §88243) who have been designated as regular employees. Overtime paid to instructional aides who have regular status is recorded within Object 2400, Instructional Aides, Other.

These expenditures must be separated into the following subobjects:

### ***Direct Instruction***

Expenditures for the full and prorated portions of salaries paid to employees who are (a) assigned by governing board designation the basic title of “Instructional Aide” or any other appropriate title that denotes that the employees’ duties include instructional tasks, and (b) employed to assist instructors in classroom instruction tasks during any portion of their duties (per *Education Code* Section 84362, the 50 Percent Law). Employees providing students with assistance and training in computer labs can be classified as instructional aides if they qualify under *Education Code* Section 84362.

An employee shall be deemed to be under the supervision of an instructor for the purpose of *Education Code* Section 84362 if the employee performs duties under the direction of an instructor.

### ***Other***

Although *Education Code* Section 88240 et seq. (and related regulations in CCR §59200 et seq.), are liberal in their definition of instructional aide, the intent of *Education Code* Section 84362 (the 50 Percent Law) restricts instructional aide salaries, that may be claimed as “salaries of classroom instructors” to salaries for the direct instruction of students. Therefore, instructional aide salaries must be segregated into those that participate in direct instruction of students and all others.

## **2300 Noninstructional Salaries, Other**

Expenditures for the full and prorated portions of salaries of nonacademic employees that **do not** have regular status or who are paid for special work in excess of their regular work schedule, as well as overtime paid to nonacademic employees who have regular status. This object may include, but is not limited to, the salaries of student help, clerical staff, administrative personnel, professional staff, maintenance workers, custodians, gardeners, food service staff, telephone operators, transportation staff, and security personnel.

Districts shall record such nonacademic salaries within the appropriate subobject:

***Administrators and Supervisors***

Expenditures for the salaries of nonacademic administrators and supervisors as defined in *Education Code* Section 84362.

***Other***

Expenditures for the salaries of employees in classified positions or other nonacademic positions that are not designated as administrators and supervisors.

**2400 Instructional Aides, Other**

Expenditures for the full and prorated portions of salaries of instructional aides (defined in EC §88243) that **do not** have regular status as well as overtime paid to instructional aides who have regular status.

Such instructional aide salary expenditures must be separated into the following subobjects:

***Direct Instruction***

Expenditures for the full and prorated portions of salaries paid to employees who are (a) assigned by governing board designation the basic title of "Instructional Aide" or any other appropriate title which denotes that the employees' duties include instructional tasks, and (b) employed to assist instructors in classroom instructional tasks during any portion of their duties (per *Education Code* Section 84362, the 50 Percent Law). Employees providing students with assistance and training in computer labs can be classified as instructional aides if they qualify under *Education Code* Section 84362.

An employee shall be deemed to be under the supervision of an instructor for the purpose of *Education Code* Section 84362 if the employee performs duties under the direction of an instructor.

***Other***

Although *Education Code* Section 88240 et seq., are liberal in their definition of instructional aide, the intent of *Education Code* Section 84362 (the 50 Percent Law) restricts instructional aide salaries that may be claimed as "salaries of classroom instructors" to those for the direct instruction of students. Therefore, instructional aide salaries must be segregated into those that participate in the direct instruction of students and all others.



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**3000 Employee Benefits**

- 3100 State Teachers' Retirement System (STRS) Fund
  - 3200 Public Employees' Retirement System (PERS) Fund
  - 3300 Old Age, Survivors, Disability, and Health Insurance
  - 3400 Health and Welfare Benefits
  - 3500 State Unemployment Insurance
  - 3600 Workers' Compensation Insurance
  - 3700 Local/Alternative Retirement Systems
  - 3900 Other Benefits
- 

This object is used to record all expenditures for the employer's share of contributions to retirement plans, as well as the costs of health and welfare benefits for current and retired employees and their dependents.

Districts may adopt either the cash basis or accrual basis for accounting for post-retirement benefits. If the district uses the cash basis for accounting, an actuarial study shall be conducted to determine the unfunded liability associated with retiree health benefits. At a minimum the total cost of the unfunded liability shall be disclosed in the footnotes of the district's audited financial statements.

Using the accrual basis, funded and unfunded liabilities associated with providing post-retirement benefits to active employees and retirees are reflected in the district's financial records, as well as the cost associated with the annual funding requirements. With this accounting method, districts may charge categorical programs for the projected future benefit costs for current employees assigned to the program. The benefit costs for retirees who were employed by the district in a categorical program may not be charged to such program funds. No matter which method is used, the employer's share of health and welfare benefit costs for all retired employees of the district is recorded within the appropriate subobject account in Object 3400, Health and Welfare Benefits.

Both STRS and PERS accounts may typically reflect employer contributions for academic and classified staff. PERS and STRS permit any employee who has been covered by one system and who takes a position covered by the other to choose which to be covered by. For example, if an instructor has been in STRS for a number of years and then obtains a classified position covered by PERS, the employee may elect to continue under STRS and retain the accrued credits under that system rather than starting anew under PERS.

Object 3000, Employee Benefits, is the controlling account that summarizes expenditures in the following subsidiary object categories:

**3100 State Teachers' Retirement System (STRS) Fund**

Expenditures for payments to STRS on behalf of employees.

STRS expenditures shall be separated into the following accounts:

***Academic Instructors and Instructional Aides (Direct Instruction)***

Expenditures as retirement contributions for employees providing or assisting in providing instruction to students. Applicable costs are for instructors and direct instruction-related instructional aides whose salaries are reported within Objects 1100, 1300, 2200 (Direct Instruction), and 2400 (Direct Instruction).

***Classified and Other Nonacademic Employees***

Expenditures for retirement contributions for classified and other nonacademic employees whose salaries are reported within Objects 2100, 2200 (Other), 2300, and 2400 (Other).

Instructional aide costs recorded here are those that are not related to direct instruction.

***Administrators and Supervisors***

Expenditures for applicable retirement contributions for administrators and supervisors as defined in *Education Code* Section 84362(2). (See Appendix B for definitions of these terms.)

***Other***

Expenditures for applicable retirement contributions for employees in classified positions or other nonacademic positions that are not designated as administrator and supervisors.

***Other Academic Employees (Noninstructional)***

Expenditures for retirement contributions for employees whose position is academic but who are noninstructional.

Related salaries are recorded within Objects 1200 and 1400.

***Educational Administrators***

Expenditures for applicable retirement contributions for educational administrators (EC §87002, CCR §53402(c)).

*Other*

Expenditures for applicable retirement contributions for academic employees other than educational administrators.

The remaining classifications of employee benefit objects of expenditures are based upon the same definitions of employee types that distinguish particular State Teachers' Retirement System Fund expenditures. Rather than reiterate these definitions within each following classification, the remaining employee benefit objects are presented without narrative. Districts shall record benefits for non-STRS employees with the same disaggregations as used in the STRS employee benefit object code narrative above.

**3200 Public Employees' Retirement System (PERS) Fund**

*Academic Instructors and Instructional Aides (Direct Instruction)*

*Classified and Other Nonacademic Employees*

*Administrators and Supervisors*

*Other*

*Other Academic Employees (Noninstructional)*

*Educational Administrators*

*Other*

**3300 Old Age, Survivors, Disability, and Health Insurance (OASDHI also known as OASDI or FICA). (Includes OASDHI Medicare for STRS employees not otherwise covered by OASDHI.)**

*Academic Instructors and Instructional Aides (Direct Instruction)*

*Classified and Other Nonacademic Employees*

*Administrators and Supervisors*

*Other*

*Other Academic Employees (Noninstructional)*

*Educational Administrators*

*Other*

**3400 Health and Welfare Benefits**

*Academic Instructors and Instructional Aides (Direct Instruction)*

*Classified and Other Nonacademic Employees*

*Administrators and Supervisors*

*Other*

*Other Academic Employees (Noninstructional)*

*Educational Administrators*

*Other*

The employer's share of health and welfare benefit costs for all current and retired employees of the district is recorded within the appropriate subobject account in Object 3400.

**3500 State Unemployment Insurance**

*Academic Instructors and Instructional Aides (Direct Instruction)*

*Classified and Other Nonacademic Employees*

*Administrators and Supervisors*

*Other*

*Other Academic Employees (Noninstructional)*

*Educational Administrators*

*Other*

**3600 Workers' Compensation Insurance**

*Academic Instructors and Instructional Aides (Direct Instruction)*

*Classified and Other Nonacademic Employees*

*Administrators and Supervisors*

*Other*

***Other Academic Employees (Noninstructional)***

*Educational Administrators*

*Other*

**3700 Local/Alternative Retirement Systems**

***Academic Instructors and Instructional Aides (Direct Instruction)***

***Classified and Other Nonacademic Employees***

*Administrators and Supervisors*

*Other*

***Other Academic Employees (Noninstructional)***

*Educational Administrators*

*Other*

**3900 Other Benefits**

***Academic Instructors and Instructional Aides (Direct Instruction)***

***Classified and Other Nonacademic Employees***

*Administrators and Supervisors*

*Other*

***Other Academic Employees (Noninstructional)***

*Educational Administrators*

*Other*

The employer's share of other benefits, including golden handshakes, for all employees and retirees employees of the district are recorded within the appropriate subobject account in Object 3900.

Employer's matching of Tax Sheltered Annuities and cash payments in lieu of health benefits shall be recorded within this object.

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**4000 Supplies and Materials**

Software  
Books, Magazines and Periodicals  
Instructional Supplies and Materials  
Noninstructional Supplies and Materials

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This object is used to record all expenditures for instructional and noninstructional supplies and materials, including costs of freight, sales/use tax and handling charges.

Supplies and materials are items that are expendable and quickly consumed or easily broken, damaged, or lost. For distinguishing between supplies and equipment see Appendix E.

Included in this object are instructional, office, library, medical, food and food service supplies as well as tests, periodicals, magazines, pictures, maps, computer software, and other expendable items having a useful life of less than one year. Also included are supplies and materials used in the care and upkeep of equipment, buildings and grounds and other like items.

Object 4000, Supplies and Materials, is the controlling account that summarizes expenditures in the following subsidiary object categories:

**Software**

Expenditures for software purchases with a useful life less than one year or a purchase price less than \$200. Expenditures for payments to firms providing Internet access, on-line services, and software licensing are recorded within Object 5000, Contract Services. For additional information, see Appendix E, Guidelines for Distinguishing Between Supplies and Equipment.

**Books, Magazines and Periodicals**

Expenditures for books, magazines, periodicals other than those purchased for the district's library. Books purchased for a department/division library are to be recorded within this object as a supply. See Object 6300, Library Books.

**Instructional Supplies and Materials**

Expenditures for supplies to be used by students, faculty and other personnel in connection with an instructional program.

**Noninstructional Supplies and Materials**

Expenditures for supplies and materials used in institutional support services.

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**5000 Other Operating Expenses and Services**

Audit  
Contract Services  
Depreciation  
Dues and Membership  
Election  
Insurance  
Interest  
Legal  
Personal and Consultant Services  
Postage  
Rents and Leases  
Repairs and Maintenance  
Self-Insurance Claims  
Travel and Conference Expenses  
Utilities and Housekeeping Services  
Other

---

This object is used to record all expenditures for services, leases, rents, travel, and other operating expenses.

Object 5000, Other Operating Expenses and Services, is the controlling account that summarizes expenditures in the following subsidiary object categories:

**Audit**

Expenditures for the annual financial and compliance audits conducted pursuant to *Education Code* Section 84040(b) and other audit costs.

**Contract Services**

Expenditures for payments to firms providing Internet access, on-line services, and software licensing. This object also includes contract services for another entity such as a joint powers agency to administer a self-insurance fund for the district.

**Depreciation**

Expenditures for the depreciation of exhaustible, income producing assets.

This object is for use only in the Proprietary Funds Group and, in some cases, in the Fiduciary Funds Group.



**Dues and Membership**

Expenditures as fees for district membership in any authorized society, association, or organization and for membership fees of the governing board, its members, or its employees who are required to join a society, association, or organization because of their position.

**Election**

Expenditures for election services provided by the county (*Elections Code §10002*).

**Insurance**

Expenditures for all forms of fire, casualty or liability insurance for the district. Also included are costs of property appraisals for insurance purposes, any bonds safeguarding the district against losses resulting from the actions of its employees, and insurance for students participating in intercollegiate athletics.

Payments to a self-insurance fund are described in Chapter 2, Fund Structure. Excluded are the employer's share of benefits recorded within Object 3000, Employee Benefits. Those items of health, dental, and workers' compensation insurance expenses are employee benefits, not insurance to the benefit of the district.

**Interest (Current Loans)**

Expenditures for interest on Tax Revenue Anticipation Notes (TRAN) or other loans used to finance operating expenses.

**Legal**

Expenditures as assessments for other than capital improvements (including State assessments for non use of school sites), advertisements of bond issues and other advertisements required by law, judgments, and lawyers' fees.

(Assessments for capital improvements to sites are recorded within Object 6100, Site Improvement.)

### **Personal and Consultant Services**

Expenditures as payments for contracts for personal or consultant services provided by an individual or firm. This object includes expenditures for the cost of surveys and appraisals. Appraisals and surveys in connection with site purchases shall be recorded within Object 6100, Sites and Site Improvements.

### **Postage**

Expenditures for sorting, handling, shipping and postage of mail and documents.

### **Rents and Leases**

Expenditures as payments for rent or lease of land, athletic fields, equipment, and buildings; payments to independent vendors for transportation.

Amounts expended for lease purchase agreements are recorded within Object 6000, Capital Outlay.

### **Repairs and Maintenance**

Expenditures for payments to independent vendors for repairs and maintenance to buildings or equipment, including maintenance agreements on equipment.

(Expenditures for lease purchase agreements are recorded within Object 6000, Capital Outlay.)

### **Self-Insurance Claims (Self-Insurance Fund Only)**

Expenditures for payments and/or accrued costs for claims to a self-insurance fund.

This account is for use only by districts maintaining a Self-Insurance Fund. Payments to an insurance joint powers agency are treated as insurance expense in the General Fund or applicable special fund, such as the Bookstore Fund; they are not to be shown as a Self-Insurance Fund.

### **Travel and Conference Expenses**

Expenditures for per diem and actual, necessary expenditures incurred by employees, board members, and other district representatives for authorized meetings, transportation (including mileage allowance), meals, and lodging.

**Utilities and Housekeeping Services**

Expenditures as payments for water, fuel, light, power, telephone, waste disposal, laundry, dry cleaning, and other similar expenses, including contracts for these services.

**Other**

Expenditures for bad debt expense, loan costs, physical examinations, fingerprinting, damage to personal property, cash variances, advertisements not required by law and all other operating costs not identifiable within any other Object 5000 category.

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<b>6000</b>	<b>Capital Outlay</b>
6100	Sites and Site Improvements
	Sites
	Site Improvement
6200	Buildings
6300	Library Books
6400	Equipment
	Additional
	Replacement

---

This object is used to record all Capital Outlay expenditures. Included are amounts paid for the acquisition of fixed assets or additions to fixed assets; land or existing buildings; improvements of grounds; building construction, remodeling, or additions; and equipment.

Lease purchases (agreement constitutes a purchase) shall be recorded appropriately as Sites, Buildings, or Equipment. A lease without option or intent to purchase is recorded within Object 5000, Rents and Leases

Object 6000, Capital Outlay, is the controlling account that summarizes expenditures recorded in the following subsidiary object categories:

#### **6100 Sites and Site Improvements**

Expenditures for this subobject shall be recorded by the prescribed subsidiary account:

##### ***Sites***

Expenditures for the purchase of land and incidental expenses of site acquisition, such as appraisal fees, title search and title insurance, surveys, and condemnation proceedings and fees.

If the site is not acquired, the incidental costs must be recorded within Object 5000, Other Operating Expenses and Services.

##### ***Site Improvement***

Expenditures for the costs of developing new sites or improving existing sites.

Applicable expenditures include:

- landscaping grading, seeding, and planting trees and shrubs;
- constructing sidewalks, roadways, retaining walls, sewers, and storm drains;

- installing hydrants;
- treating soil and surfacing athletic fields and tennis courts;
- furnishing and installing fixed playground apparatus, flagpoles, gateways, fences, and underground storage tanks that are not parts of building service systems;
- demolition work in connection with improvement of sites; and
- special assessments against the district for capital improvements, such as streets, curbs, sewers, drains, and pedestrian tunnels on or off district property.

### **6200 Buildings**

Expenditures for the costs of construction or purchase of new buildings, additions to existing buildings, and replacement of obsolete buildings.

Costs of construction include, but are not limited to, advertising; architectural and engineering fees; blueprinting and inspection services; demolition work in connection with construction of new buildings; tests and examinations; installation of plumbing, electrical, sprinkling, or warning devices; and the installation of built-in fixtures, such as heating and ventilating and their attachments.

Costs of purchase include fees for inspection, transfer title insurance, etc.

### **6300 Library Books**

Expenditures for the purchase of books, magazines, periodicals and non-print media for the college library.

The purchase of books, magazines, periodicals and non-print media for department/division libraries shall be recorded within Object 4000, Books, Magazines and Periodicals under the appropriate Instructional Activity.

### **6400 Equipment**

Expenditures for the purchase of tangible property with a purchase price at least \$200 and a useful life of more than one year, other than land or buildings and improvements thereon.

See Appendix E, Guidelines for Distinguishing Between Supplies and Equipment.

Districts shall maintain an historical inventory, audit trace inventory system, or any other acceptable inventory system that contains the description, name, identification numbers,

original cost, date of acquisition, location, and time and mode of disposal for all items of equipment that cost or had a market value at time of acquisition in excess of one thousand dollars (\$1,000). Items of equipment in the inventory system, as well as any additions, should be accounted for in the General Fixed Assets Account Group.

Built-in fixtures are an integral part of the building or building service system and are reported in Object 6200, Buildings.

Expenditures for equipment purchases shall be recorded by the prescribed subsidiary account:

***Additional***

Expenditures for the purchase of new equipment, or equipment of different quality or capacity, or restoration of equipment (necessitated by casualty loss).

***Replacement***

Expenditures for the identical replacement of equipment (necessitated by normal use) on a piece-for-piece basis to perform the same function(s).

Equipment, that differs in capacity, function, or quality shall be considered additional equipment.

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**7000 Other Outgo**

7100	Debt Retirement (Long-Term Debt)
7200	Intrafund Transfers-Out
7300	Interfund Transfers-Out
7400	Other Transfers
7500	Student Financial Aid
7600	Other Student Aid
7900	Reserve for Contingencies

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This object is used to record other expenses and nonexpenditure disbursements.

Object 7000, Other Outgo, is the controlling account that summarizes expenditures recorded in the following subsidiary object categories:

**7100 Debt Retirement (Long-Term Debt)*****Debt Reduction***

Expenditures for the costs of redeeming long-term bonds or other indebtedness sold for authorized purposes under *Education Code* Section 15100 or 81901 et seq., such as for purchasing land, constructing or purchasing buildings, equipping buildings, etc. This object is also used to record the amount deducted from General Apportionment by the State Controller for repayment of emergency apportionment (CCR §58316). The interest portion of the deduction is recorded below.

***Debt Interest and Other Service Charges***

Expenditures as the costs of interest and related service fees for bonds or other indebtedness.

Interest on loans to finance operating expenses (e.g., Tax Revenue Anticipation Notes) is to be recorded within Object 5000, Other Operating Expenses and Services, Subobject Interest (Current Loans).

**7200 Intrafund Transfers Out**

Intrafund transfers are the transfer of moneys within a fund of a district. An example of an intrafund transfer would be a transfer from the General Fund Unrestricted Subfund to the General Fund Restricted Subfund.

**7300 Interfund Transfers-Out**

Interfund transfers are money that is taken from one fund and added to another fund without an expectation of repayment. Generally, moneys can be transferred only when the use of the moneys in the receiving fund is not inconsistent with any restriction on its use in the sending fund. An example of an interfund transfer would be the required match for scheduled maintenance that is transferred from the General Fund to the Capital Outlay Projects Fund.

It should be noted that moneys held in any fund may be temporarily transferred from one or more funds to another fund to be used for the payment of obligations, provided no provisions to the contrary exist. Such transfers are not reported here, but are reflected in the balance sheet accounts "Due to Other Fund" and "Due from Other Funds."

Payments to self-insurance funds are described in Chapter 2, Fund Structure.

**7400 Other Transfers**

Amounts expended or transferred for extraordinary situations such as transfers from reorganized or lapsed district to another district, loss on investments or joint ventures, such as material, prior-year assessments to self-insurance programs, JPA's or consortiums.

**7500 Student Financial Aid**

Expenditures for student aid in the form of grants, fellowships, scholarships, tuition reduction, etc.

Payments to students for services rendered, such as work-study, are expensed as classified salaries, chargeable to the activity benefited by the student's work.

Other payments to or for students, such as child care vouchers and bookstore vouchers, are to be recorded within object 7600, Other Student Aid.

**7600 Other Student Aid**

Amounts paid to/for students for non-cash assistance, such as bus tickets, auto repairs related to commuting to college classes, child care vouchers, bookstore vouchers. These amounts are often provided to participants in EOPS, DSPS or other categorical programs.

Expenditures for student aid in the form of grants, fellowships, scholarships, tuition reduction, etc., are to be recorded within Object 7500 Student Financial Aid.



### **7900 Reserve for Contingencies**

This category is an appropriation classification only; no expenditures shall be recorded in this object.

This object includes amounts equal to that portion of the current fiscal year's appropriation that are not designated for any specific purpose, but are held in reserve to fund other appropriation items as may be needed during the fiscal year.

*California Code of Regulations* Section 58307 states:

#### **“District Budget Limitations on Expenditure**

The total amount budgeted as the proposed expenditure of the district for each major classification of district expenditures listed in the district budget forms prescribed by the board shall be the maximum amount which may be expended for that classification of expenditures for the school year. Transfers may be made from the reserve for contingencies to any expenditure classification or between expenditure classifications at any time by written resolution of the board of trustees of a district. A resolution providing for the transfer from the reserve for contingencies to any expenditure classification must be approved by a two thirds vote of the members of the governing board; a resolution providing the transfer between expenditure classifications must be approved by a majority of the members of the governing board.”

## EXPENDITURE ABATEMENTS

An abatement of expenditure is the return or cancellation of part or all of an expenditure previously recorded. Abatement of expenditure applies to both current expenses and capital outlay expenditures from all funds. Tuition receipts, fees, and rentals cannot be treated as abatement of expenditure. This definition must be observed in making all decisions as to whether a receipt is reported as income or as an abatement of expenditure.

The basic distinction is that an abatement of expenditure must always represent a receipt (or an accrual) that cancels a part or the whole of a determinable item of previous expenditure. If a receipt cannot be substantiated as a cancellation of a specific expenditure, it must be reported as revenue.

Applicable receipts must be accounted for by abating the object of expenditure account originally charged in the fiscal year received, irrespective of the fiscal year in which the original expenditure was recorded.

Whenever abatements of any particular type are numerous and, especially, if considerable amounts are involved, it is recommended that the credits be made to a "contra" account instead of directly to the expenditure account. The contra account should be identified as "Abatements of \_\_\_\_\_" (inserting the name of the expenditure account to which it relates). It should be maintained adjacent to the corresponding expenditure account in the expenditure (or appropriation) subsidiary ledger. The contra account will receive only credit entries for abatements. By this procedure, the undesirable features of a "mixed" account are avoided and gross expenditures, abatements, and net expenditures can be determined easily at any time.

The following shall be accounted for as abatement of expenditure:

- Receipts from sales of supplies and new materials at cost to other governmental units, including community college districts;
- Refunds of overpayments from instructors and other employees or from vendors and other payees;
- Refunds for return of containers, including oil drums, wire spools, and the like;
- Refunds from a transportation company for unused portions of transportation fare books, tickets, and the like;
- Refunds of gasoline tax for nonhighway use;
- Canceled warrants (excludes outdated and unclaimed warrants which remain a liability of the district);
- Abatements against salary for temporary disability payments offset against regular salary.
- Cancellation of payables over-accrued in a prior period.



**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\01\StuHealthFees.doc



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

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



(01) Claimant Identification Number:

L S34050

A (02) Mailing Address:

B

E Claimant Name

L Los Rios Community College District

County of Location

H Sacramento

E Street Address

R 1919 Spanos Court

E City

Sacramento

State

CA

Zip Code

95825

**Reimbursement Claim Data**

(22) HFE - 1.0, (04)(b) \$ 814,928

(23)

(24)

(25)

(26)

Type of Claim

Estimated Claim

Reimbursement Claim

(27)

(03) Estimated

(09) Reimbursement

(28)

(04) Combined

(10) Combined

(29)

(05) Amended

(11) Amended

(30)

Fiscal Year of Cost

(06) 2003-2004

(12) 2002-2003

(31)

Total Claimed Amount

(07) \$ 800,000

(13) \$ 814,928

(32)

Less: 10% Late Penalty, but not to exceed \$1000

(14) \$ -

(33)

Less: Estimate Claim Payment Received

(15) \$ -

(34)

Net Claimed Amount

(16) \$ 814,928

(35)

Due from State

(08) \$ 800,000

(17) \$ 814,928

(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

Jdn Sharpe

1/8/04  
 Vice Chancellor Finance & Administration

Type of Print Name

Title

(39) Name of Contact Person or Claim

Telephone Number (858) 514-8605

SixTen and Associates

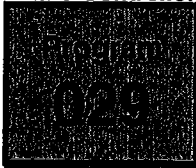
E-Mail Address kbpsixten@aol.com

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
CALCULATION OF INDIRECT COST RATE,  
FISCAL YEAR  
2001-2002**

*For  
02-03  
claims*

REFERENCE (CCFS 311)	DESCRIPTION	2001-2002
<b>INSTRUCTIONAL ACTIVITY</b>		
	<b>Instructional Costs</b>	
	Instructional Salaries and Benefits	88,131,259
	Instructional Operating Expenses	5,974,743
	Instructional Support Instructional Salaries and Benefits	459,075
	Auxiliary Operations Instructional Salaries and Benefits	16,669
	<b>TOTAL INSTRUCTIONAL COSTS 1</b>	<b>94,581,746</b>
	<b>Non-Instructional Costs</b>	
	Non-Instructional Salaries and Benefits	4,857,732
	Instructional Admin. Salaries and Benefits	10,341,284
	Instructional Admin. Operating Expenses	705,036
	Auxiliary Classes Non-Inst. Salaries and Benefits	1,097,003
	Auxiliary Classes Operating Expenses	918,625
	<b>TOTAL NON-INSTRUCTIONAL COSTS 2</b>	<b>17,919,680</b>
	<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS 3 (1 + 2)</b>	<b>112,501,426</b>
<b>DIRECT SUPPORT ACTIVITY</b>		
	<b>Direct Support Costs</b>	
	Instructional Support Services Non Inst. Salaries and Benefits	5,680,323
	Instructional Support Services Operating Expenses	1,235,566
	Admissions and Records	2,552,558
	Counseling and Guidance	12,155,236
	Other Student Services	13,543,169
	<b>TOTAL DIRECT SUPPORT COSTS 4</b>	<b>35,166,852</b>
<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS 5 (3 + 4)</b>		<b>147,668,278</b>
	<b>Indirect Support Costs</b>	
	Operation and Maintenance of Plant	15,657,969
	Planning and Policy Making	4,722,292
	General Instructional Support Services	23,417,761
	<b>TOTAL INDIRECT SUPPORT COSTS 6</b>	<b>43,798,022</b>
<b>TOTAL INSTRUCTIONAL ACTIVITY COSTS AND DIRECT SUPPORT COSTS, AND TOTAL INDIRECT SUPPORT COSTS (5 + 6) = TOTAL COSTS</b>		<b>191,466,300</b>
<b>SUPPORT COSTS ALLOCATION RATES</b>		
Indirect Support Costs Allocation Rate =	Total Indirect Supports Costs (6) Total Instructional Activity Costs and Direct Support Costs (5)	29.66%
Direct Support Costs Allocation Rate =	Total Direct Support Costs (4) Total Instructional Activity Costs (3)	31.26%
Total Support Cost Allocation		60.92%





**MANDATED COSTS  
HEALTH FEE ELIMINATION  
CLAIM SUMMARY**

**FORM  
HFE-1.0**

<b>(01) Claimant:</b>	<b>(02) Type of Claim:</b>	Fiscal Year
<b>Claimant Name</b>	Reimbursement <input checked="" type="checkbox"/>	
Los Rios Community College District	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. American River College	\$ 323,165.00
2. Consumes River College	\$ 190,716.00
3. Sacramento City College	\$ 301,047.00
4.	\$ -
5.	\$ -
6.	\$ -
7.	\$ -
8.	\$ -
9.	\$ -
10.	\$ -
11.	\$ -
12.	\$ -
13.	\$ -
14.	\$ -
15.	\$ -
16.	\$ -
17.	\$ -
18.	\$ -
19.	\$ -
20.	\$ -
21.	\$ -
<b>(04) Total Amount Claimed</b>	\$ 814,928

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

	<b>MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY</b>	<b>FORM HFE-1.1</b>
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<b>(01) Claimant:</b>  Los Rios Community College District	<b>(02) Type of Claim:</b> Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year  2002-2003
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**(03) Name of College** American River 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: 29.66%	Total
<b>(05) Cost of Health Services for the Fiscal year of Claim</b>	\$ 249,240	\$ 73,925	\$ 323,165
<b>(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87</b>	\$ -	\$ -	\$ -
<b>(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]</b>	\$ 249,240	\$ 73,925	\$ 323,165

**(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)] 0

**(10) Sub-total** [Line (07) - line (09)] \$ 323,165

**Cost Reduction**

(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$ -
<b>(13) Total Amount Claimed</b> [Line (10) - (line (11) + line (12))]	<b>\$ 323,165</b>

	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.2</b>
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<b>(01) Claimant:</b>  Los Rios Community College District	<b>(02) Type of Claim:</b> Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year  2002-2003
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**(03) Name of College** Cosumnes River 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: 29.66%	Total
<b>(05) Cost of Health Services for the Fiscal year of Claim</b>	\$ 147,089	\$ 43,627	\$ 190,716
<b>(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87</b>	\$ -	\$ -	\$ -
<b>(07) Cost of providing current fiscal year health services at the 1986/87 level</b> [Line (05) - line (06)]	\$ 147,089	\$ 43,627	\$ 190,716

**(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				\$ -		\$ -	\$ -
<b>(09) Total health fee that could have been collected</b>	[Line (8.1g) + (8.2g) + .....(8.6g)]						0
<b>(10) Sub-total</b>	[Line (07) - line (09)]						\$ 190,716

<b>Cost Reduction</b>	
<b>(11) Less: Offsetting Savings, if applicable</b>	\$ -
<b>(12) Less: Other Reimbursements, if applicable</b>	\$ -
<b>(13) Total Amount Claimed</b>	[Line (10) - {line (11) + line (12)}] \$ 190,716

	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.3</b>
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<b>(01) Claimant:</b>  Los Rios Community College District	<b>(02) Type of Claim:</b> Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year  2002-2003
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**(03) Name of College** Sacramento 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: 29.66%	Total
<b>(05) Cost of Health Services for the Fiscal year of Claim</b>	\$ 232,182	\$ 68,865	\$ 301,047
<b>(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87</b>	\$ -	\$ -	\$ -
<b>(07) Cost of providing current fiscal year health services at the 1986/87 level</b> [Line (05) - line (06)]	\$ 232,182	\$ 68,865	\$ 301,047

**(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				\$ -		\$ -	\$ -

<b>(09) Total health fee that could have been collected</b>	[Line (8.1g) + (8.2g) + .....(8.6g)]	0
<b>(10) Sub-total</b>	[Line (07) - line (09)]	\$ 301,047

**Cost Reduction**

(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$ -
<b>(13) Total Amount Claimed</b>	\$ 301,047

<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>HFE-2.1</b>
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(01) Claimant	Fiscal Year
Los Rios 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		
Outside Labs, (X-ray, etc.)		
Psychologist, full services		
Cancel/Change Appointments		
Registered Nurse	X	X
Check Appointments		
Assessment, Intervention and Counseling		
Birth Control		
Lab Reports	X	X
Nutrition		
Test Results, office		
Venereal Disease		
Communicable Disease	X	X
Upper Respiratory Infection	X	X
Eyes, Nose and Throat		
Eye/Vision	X	X
Dermatology/Allergy		
Gynecology/Pregnancy Service	X	X
Neuralgic		
Orthopedic		
Genito/Urinary		
Dental		
Gastro-Intestinal		
Stress Counseling	X	X
Crisis Intervention	X	X
Child Abuse Reporting and Counseling		
Substance Abuse Identification and Counseling		
Eating Disorders		
Weight Control	X	X
Personal Hygiene		
Burnout		
Other Medical Problems, list		
Examinations, minor illnesses		
Recheck Minor Injury		
Health Talks or Fairs, Information		
Sexually Transmitted Disease	X	X
Drugs	X	X
Acquired Immune Deficiency Syndrome	X	X
Child Abuse		

<b>Program 029</b>	<b>MANDATED COSTS HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL</b>		<b>FORM HFE-2.1</b>
(01) Claimant  Los Rios 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	
<p>Birth Control/Family Planning Stop Smoking Library, Videos and Cassettes</p> <p>First Aid, Major Emergencies First Aid, Minor Emergencies First Aid Kits, Filled</p> <p>Immunizations Diphtheria/Tetanus Measles/Rubella Influenza Information</p> <p>Insurance On Campus Accident Voluntary Insurance Inquiry/Claim Administration</p> <p>Laboratory Tests Done Inquiry/Interpretation Pap Smears</p> <p>Physical Examinations Employees Students Athletes</p> <p>Medications Antacids Antidiarrheal Aspirin, Tylenol, etc., Skin Rash Preparations Eye Drops Ear Drops Toothache, oil cloves Stingkill Midol, Menstrual Cramps Other, list--&gt; Ibuprofen</p> <p>Parking Cards/Elevator Keys Tokens Return Card/Key Parking Inquiry Elevator Passes Temporary Handicapped Parking Permits</p>	<p>X</p> <p>X X X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>X</p> <p>X X X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	

<b>Program 029</b>	<b>MANDATED COSTS HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM HFE-2.1</b>
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(01) Claimant  Los Rios Community College District	Fiscal Year  2002-2003
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(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.	(a) FY 1986/87	(b) FY of Claim
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Referrals to Outside Agencies		
Private Medical Doctor	X	X
Health Department	X	X
Clinic	X	X
Dental	X	X
Counseling Centers	X	X
Crisis Centers	X	X
Transitional Living Facilities, battered/homeless women	X	X
Family Planning Facilities	X	X
Other Health Agencies	X	X
Tests		
Blood Pressure	X	X
Hearing	X	X
Tuberculosis		
Reading	X	X
Information	X	X
Vision	X	X
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
Rest	X	X
Suture Removal		X
Temperature	X	X
Weigh	X	X
Information	X	X
Report/Form		
Wart Removal		
Others, list		
Committees		
Safety	X	X
Environmental		
Disaster Planning		
Skin Rash Preparations		
Eye Drops		





<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>HEALTH FEE ELIMINATION</b>	(19) Program Number 00234 (20) Date Filed <u>   </u> / <u>   </u> / <u>   </u> (21) LRS Input <u>   </u> / <u>   </u> / <u>   </u>	Program <b>234</b>
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L A B E L  H E R E	(01) Claimant Identification Number: <span style="float: right;">CC34050</span>		<b>Reimbursement Claim Data</b>	
	(02) Claimant Name: <span style="float: right;">Los Rios Community College District</span>		(22) HFE-1.0, (04)(b)	866,621
	County of Location: <span style="float: right;">Sacramento</span>		(23)	
	Street Address: <span style="float: right;">1919 Spanos Court</span>		(24)	
	City: <span style="float: right;">Sacramento</span>	State: <span style="float: right;">CA</span>	Zip Code: <span style="float: right;">95825</span>	(25)
			(26)	

Type of Claim	Estimated Claim	Reimbursement Claim		
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(26)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>	(28)	
			(29)	
<b>Fiscal Year of Cost</b>	(06)	(12) <span style="float: right;"><b>2003-2004</b></span>	(30)	
<b>Total Claimed Amount</b>	(07)	(13) <span style="float: right;"><b>\$ 866,621</b></span>	(31)	
<b>Less: 10% Late Penalty</b>		(14) <span style="float: right;"><b>\$ -</b></span>	(32)	
<b>Less: Prior Claim Payment Received</b>		(15) <span style="float: right;"><b>\$ -</b></span>	(33)	
<b>Net Claimed Amount</b>		(16) <span style="float: right;"><b>\$ 866,621</b></span>	(34)	
<b>Due from State</b>	(08)	(17) <span style="float: right;"><b>\$ 866,621</b></span>	(35)	
<b>Due to State</b>		(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

1/11/06

Jon Sharpe Vice Chancellor, Finance & Administration

Type or Print Name Title

(38) Name of Contact Person for Claim Telephone Number: (858) 514-8605

SixTen and Associates E-mail Address: kbpsixten@aol.com

MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY		FORM HFE-1.0
(01) Claimant:  Los Rios Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year  2003-2004
<b>(03) List all the colleges of the community college district identified in form HFE-1.1, line (03)</b>		
(a) Name of College	(b) Claimed Amount	
1. American River College	\$328,988.31	
2. Cosumnes River College	\$236,852.13	
3. Sacramento City College	\$300,781.04	
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<b>(04) Total Amount Claimed</b>	[Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)]	<b>\$ 866,621</b>

<b>PROGRAM</b> <b>234</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.1</b>
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(01)	Claimant:  Los Rios Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2003-2004
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(03) Name of College: American River 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: 30.39%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 252,311	\$ 76,677	\$ 328,988
(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)]	\$ 252,311	\$ 76,677	\$ 328,988

(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)	0
(10) Subtotal	[Line (07) - line (09)]	\$ 328,988

**Cost Reduction**

(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$ -
(13) Total Amount Claimed	\$ 328,988

<b>PROGRAM</b> <b>234</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.2</b>
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(01)	Claimant:  Los Rios Community College District	(02)	Type of Claim:  Reimbursement <input checked="" type="checkbox"/>  Estimated <input type="checkbox"/>	Fiscal Year  2003-2004
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(03) Name of College: Cosumnes River 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: 30.39%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 181,649	\$ 55,203	\$ 236,852
(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)]	\$ 181,649	\$ 55,203	\$ 236,852

(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))	0
(10) Subtotal	[Line (07) - line (09)]	\$ 236,852

**Cost Reduction**

(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$ -
(13) Total Amount Claimed	\$ 236,852

<b>PROGRAM</b> <b>234</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.3</b>
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(01)	Claimant:  Los Rios Community College District	(02)	Type of Claim:  Reimbursement <input checked="" type="checkbox"/>  Estimated <input type="checkbox"/>	Fiscal Year  2003-2004
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(03) Name of College: Sacramento 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: 30.39%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 230,678	\$ 70,103	\$ 300,781
(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)]	\$ 230,678	\$ 70,103	\$ 300,781

(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)	0
(10) Subtotal	[Line (07) - line (09)]	\$ 300,781

<b>Cost Reduction</b>		
(11) Less: Offsetting Savings, if applicable		\$ -
(12) Less: Other Reimbursements, if applicable		\$ -
(13) Total Amount Claimed	[Line (10) - {line (11) + line (12)}]	\$ 300,781

<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>1/84 HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>		<b>FORM</b> <b>HFE-2</b>	
(01) Claimant Los Rios Community College District		(02) Fiscal Year costs were incurred: 2003-2004		
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.		(a) FY 1986/87	(b) FY of Claim	
Accident Reports		X	X	
Appointments				
College Physician, surgeon				
Dermatology, Family practice				
Internal Medicine				
Outside Physician				
Dental Services				
Outside Labs, (X-ray, etc.,)				
Psychologist, full services				
Cancel/Change Appointments		X	X	
Registered Nurse		X	X	
Check Appointments			X	
Assessment, Intervention and Counseling				
Birth Control		X	X	
Lab Reports			X	
Nutrition		X	X	
Test Results, office		X	X	
Venereal Disease		X	X	
Communicable Disease		X	X	
Upper Respiratory Infection		X	X	
Eyes, Nose and Throat		X	X	
Eye/Vision		X	X	
Dermatology/Allergy		X	X	
Gynecology/Pregnancy Service		X	X	
Neuralgic		X	X	
Orthopedic		X	X	
Genito/Urinary		X	X	
Dental				
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	

<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>1/84 HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>HFE-2</b>	
(01) Claimant Los Rios 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			X
Measles/Rubella			X
Influenza			X
Information		X	X
Insurance			
On Campus Accident		X	X
Voluntary		X	X
Insurance Inquiry/Claim Administration		X	X
Laboratory Tests Done			
Inquiry/Interpretation			X
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			
Toothache, oil cloves			
Stingkill		X	X
Midol, Menstrual Cramps		X	X
Other, list--> Cold & Allergy		X	X
Parking Cards/Elevator Keys			
Tokens			
Return Card/Key			
Parking Inquiry		X	X
Elevator Passes			
Temporary Handicapped Parking Permits		X	X

Program <b>029</b>	MANDATED COSTS 1/84 HEALTH FEE ELIMINATION COMPONENT/ACTIVITY COST DETAIL		FORM <b>HFE-2</b>
(01) Claimant Los Rios 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 Information	X	X	
Vision	X	X	
Glucometer	X	X	
Urinalysis	X	X	
Hemoglobin			
EKG			
Strep A Testing			
PG Testing			X
Monospot			
Hemacult			
Others, list--> bodyfat			X
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
Temperature	X	X	
Weigh	X	X	
Information	X	X	
Report/Form	X	X	
Wart Removal			
Others, list: Web research and links	X	X	
Committees			
Safety	X	X	
Environmental			X
Disaster Planning			X





<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>HEALTH FEE ELIMINATION</b>	For State Controller Use Only	<b>Program</b> <span style="font-size: 2em; font-weight: bold;">234</span>
	(19) Program Number 00234	
	(20) Date Filed <u>   </u> / <u>   </u> / <u>   </u>	
	(21) LRS Input <u>   </u> / <u>   </u> / <u>   </u>	

(01) Claimant Identification Number: <span style="float: right;">CC 34050</span>	<b>Reimbursement Claim Data</b>	
(02) Claimant Name Los Rios Community College District	(22) HFE-1.0, (04)(b)	874,066
County of Location Sacramento	(23)	
Street Address 1919 Spanos Court	(24)	
City                      State                      Zip Code Sacramento              CA                              95825	(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)                      2005-2006	(12)                      2004-2005	(30)	
Total Claimed Amount	(07)                      \$                      961,000	(13)                      \$                      874,066	(31)	
Less: 10% Late Penalty		(14)                      \$                      -	(32)	
Less: Prior Claim Payment Received		(15)                      \$                      -	(33)	
Net Claimed Amount		(16)                      \$                      874,066	(34)	
Due from State	(08)                      \$                      961,000	(17)                      \$                      874,066	(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) _____ Jon Sharpe Type or Print Name	Date <u>          1/11/06          </u> _____ Deputy Chancellor Title
---	---

(38) Name of Contact Person for Claim SixTen and Associates	Telephone Number: <u>          (858) 514-8605          </u> E-mail Address: <u>          kbpsixten@aol.com          </u>
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MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY		FORM HFE-1.0
(01) Claimant:  Los Rios Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year  2004-2005
<b>(03) List all the colleges of the community college district identified in form HFE-1.1, line (03)</b>		
(a) Name of College	(b) Claimed Amount	
1. American River College	\$351,030.75	
2. Consumnes River College	\$237,299.71	
3. Sacramento City College	\$285,735.63	
4.		
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20.		
21.		
<b>(04) Total Amount Claimed</b>	[Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)]	<b>\$ 874,066</b>

<b>PROGRAM</b> <b>234</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.1</b>
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(01) Claimant: Los Rios Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2004-2005
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(03) Name of College: American River 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: 31.96%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 266,013	\$ 85,018	\$ 351,031
(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)]	\$ 266,013	\$ 85,018	\$ 351,031

(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))	\$ -
(10) Subtotal	[Line (07) - line (09)]	\$ 351,031

**Cost Reduction**

(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$ -
(13) Total Amount Claimed	\$ 351,031

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

<b>PROGRAM</b> <b>234</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.2</b>
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(01)	Claimant:  Los Rios Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2004-2005
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(03) Name of College: Consumnes River 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: 31.96%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 179,827	\$ 57,473	\$ 237,300
(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)]	\$ 179,827	\$ 57,473	\$ 237,300

(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)
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)]	\$ 237,300

**Cost Reduction**

(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$ -
(13) Total Amount Claimed	\$ 237,300

<b>PROGRAM</b> <b>234</b>	<b>MANDATED COSTS</b> <b>HEALTH FEE ELIMINATION</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>HFE-1.3</b>
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(01)	Claimant:  Los Rios Community College District	(02)	Type of Claim:  Reimbursement <input checked="" type="checkbox"/>  Estimated <input type="checkbox"/>	Fiscal Year  2004-2005
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(03) Name of College: Sacramento 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: 31.96%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 216,532	\$ 69,204	\$ 285,736
(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)]	\$ 216,532	\$ 69,204	\$ 285,736

(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)	\$ -
(10) Subtotal	[Line (07) - line (09)]	\$ 285,736

**Cost Reduction**

(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$ -
(13) Total Amount Claimed	\$ 285,736

<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>1/84 HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>		<b>FORM</b> <b>HFE-2</b>	
(01) Claimant Los Rios 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 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 Eating Disorders Weight Control Personal Hygiene Burnout Other Medical Problems, list		X	X	
Examinations, minor illnesses Recheck Minor Injury		X	X	
Health Talks or Fairs, Information Sexually Transmitted Disease Drugs Acquired Immune Deficiency Syndrome Child Abuse		X	X	

<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>1/84 HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>HFE-2</b>	
(01) Claimant Los Rios 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		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
Measles/Rubella			X
Influenza			X
Information		X	X
Insurance			
On Campus Accident		X	X
Voluntary		X	X
Insurance Inquiry/Claim Administration		X	X
Laboratory Tests Done			
Inquiry/Interpretation			X
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			
Toothache, oil cloves			
Stingkill		X	X
Midol, Menstrual Cramps		X	X
Other, list--> Cold and Allergy		X	X
Parking Cards/Elevator Keys			
Tokens			
Return Card/Key			
Parking Inquiry		X	X
Elevator Passes			
Temporary Handicapped Parking Permits		X	X



<b>Program</b> <b>029</b>	<b>MANDATED COSTS</b> <b>1/84 HEALTH FEE ELIMINATION</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>		<b>FORM</b> <b>HFE-2</b>
(01) Claimant Los Rios 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	
<b>Referrals to Outside Agencies</b>			
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	
<b>Tests</b>			
Blood Pressure	X	X	
Hearing	X	X	
Tuberculosis	X	X	
Reading	X	X	
Information	X	X	
Vision	X	X	
Glucometer	X	X	
Urinalysis	X	X	
Hemoglobin			
EKG			
Strep A Testing			
PG Testing		X	
Monospot			
Hemacult			
Others, list>Bodyfat		X	
<b>Miscellaneous</b>			
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	
Temperature	X	X	
Weigh	X	X	
Information	X	X	
Report/Form	X	X	
Wart Removal			
Others, list>Web research and links	X	X	
<b>Committees</b>			
Safety	X	X	
Environmental		X	
Disaster Planning		X	