



**BETTY T. YEE**  
California State Controller

**RECEIVED**  
May 02, 2016  
**Commission on  
State Mandates**

**LATE FILING**

April 29, 2016

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

Re: Draft Proposed Decision, Schedule for Comments, and Notice of Hearing  
School District of Choice: Transfers and Appeals, 11-4451-I-05  
Education Code Sections 48209.1, 48209.7, 48209.9, 48209.10, 48209.13, and 48209.14  
Statutes 1993, Chapter 160 (AB19), Statutes 1994, Chapter 1262 (AB 2768)  
Fiscal Year: 1997-1998  
Chula Vista Elementary School District, Claimant

Dear Ms. Halsey:

The State Controller's Office (SCO) reviewed the Commission on State Mandates' (CSM) draft proposed decision related to the above incorrect reduction claim (IRC) filed by Chula Vista Elementary School District (Chula Vista). We do not concur with the conclusion and recommendation.

Pursuant to the California Code of Regulations, Title 2, section 1185.1(c), all IRCs shall be filed with the CSM no later than three (3) years following the date of the SCO's final state audit report, letter, remittance advice, or other written notice of adjustment notifying the claimant of a reduction. The adjustment letter was sent to Chula Vista prior to the December 31, 2002 deadline, per the 1995 version of Government Code section 17558.5.

In our review, we found that the same adjustment letter, sent to Chula Vista on January 15, 2002, was also sent to 509 other school districts on that date for the same program and fiscal year. Furthermore, of the 509 other schools that received the adjustment letter, Chula Vista's and 42 other school districts' claims were reduced to zero as a result of adjustments for disallowed costs. The SCO was within the timeframe to initiate an audit of the claim filed and received by the SCO on January 6, 2000.

The second adjustment letter, dated April 29, 2009, was generated in error due to a system glitch while processing interest payments. This second adjustment letter was only sent to Chula Vista and the 42 other school districts whose claims were reduced to zero. Of these 43 claimants, Chula Vista was the only claimant contesting that they did not receive the original adjustment letter sent on January 15, 2002.

Heather Halsey

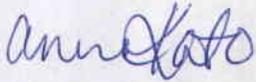
April 29, 2016

Page 2

The SCO's process, which has not changed for over a decade, with respect to sending adjustment letters non-certified by U.S. Postal Service has not resulted in any issues. Based on the first adjustment letter dated January 15, 2002, the claimant should not have been able to file an IRC after January 15, 2005.

If you have any questions, please contact Melma Dizon by telephone at (916) 327-3559, or by email at MDizon@sco.ca.gov.

Sincerely,



ANNE KATO, Chief  
Bureau of Payments

cc: Shawn Silva, Senior Staff Counsel, State Controller's Office

**DECLARATION OF SERVICE BY EMAIL**

I, the undersigned, declare as follows:

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

On May 2, 2016, I served the:

**SCO Late Comments on Draft Proposed Decision**

*School District of Choice: Transfers and Appeals, 11-4451-I-05*

Education Code Sections 48209.1, 48209.7, 48209.9, 48209.10, 48209.13, and 48209.14

Statutes 1993, Chapter 160 (AB 19), Statutes 1994, Chapter 1262 (AB 2768)

Fiscal Year: 1997-1998

Chula Vista Elementary School District, Claimant

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

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on May 2, 2016 at Sacramento, California.



Lorenzo Duran

Commission on State Mandates

980 Ninth Street, Suite 300

Sacramento, CA 95814

(916) 323-3562

# COMMISSION ON STATE MANDATES

## Mailing List

**Last Updated:** 3/24/16

**Claim Number:** 11-4451-I-05

**Matter:** School District of Choice: Transfer and Appeals

**Claimant:** Chula Vista Elementary School District

### TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

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

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