

ITEM 4
PARAMETERS AND GUIDELINES AMENDMENT
PROPOSED DECISION

Education Code Section 76300 as added or amended by Statutes 1984 2nd Ex. Sess., Chapter 1; Statutes 1984, Chapters 274 and 1401; Statutes 1985, Chapters 920 and 1454; Statutes 1986, Chapters 46 and 394; Statutes 1987, Chapter 1118; Statutes 1989, Chapter 136; Statutes 1991, Chapter 114; Statutes 1992, Chapter 703; Statutes 1993, Chapters 8, 66, 67, and 1124; Statutes 1994, Chapters 153 and 422; Statutes 1995, Chapter 308; Statutes 1996, Chapter 63; and Statutes 1999, Chapter 72

California Code of Regulations, Title 5, Sections 58501, 58502, 58503, 58611, 58612, 58613, 58620, and 58630 (Register 2006, No. 17)

Enrollment Fee Collection and Waivers
08-PGA-02 (99-TC-13 and 00-TC-15)

Los Rios Community College District, Cerritos Community College District, Citrus Community College District, El Camino Community College District, Gavilan Community College District, Kern Community College District, Long Beach Community College District, Mt. San Jacinto Community College District, Palomar Community College District, Pasadena Area Community College District, San Bernardino Community College District, Santa Monica Community College District, State Center Community College District, Sierra Joint Community College District, Victor Valley Community College District, West Kern Community College District, and Yosemite Community College District, Requesters

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Parameters and Guidelines adopted January 26, 2006

"State-Local Working Group Proposal to Improve the Mandate Process," Legislative Analyst’s
Office, June 21, 2007.

Final Audit Reports for:

 Cerritos Community College District Audit Report dated March 28, 2014

 Contra Costa Community College District Audit Report dated March 16, 2011¹

 Gavilan Community College District Audit Report dated April 4, 2011

 Los Rios Community College District Audit Report dated March 14, 2014

 Palomar Community College District Audit Report dated April 22, 2013

 Santa Monica Community College District Audit Report dated October 4, 2012

 North Orange County Community College District Audit Report dated August 6, 2013²

¹ Not a Requester but used in the sample of Community College Districts to formulate the proposed unit costs.

² Not a Requester but used in the sample of Community College Districts to formulate the proposed unit costs.

SixTen and Associates Mandate Reimbursement Services

EXHIBIT A

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

San Diego
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San Diego, CA 92117
Telephone: (858) 514-8605
Fax: (858) 514-8645

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

May 21, 2009



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

RE: 99-TC-13 and 00-TC-15
Enrollment Fee Collection and Waivers
Request to Amend the Parameters and Guidelines
Los Rios Community College District, et al.

Dear Ms. Higashi:

Enclosed is the original and seven copies of the above referenced Request to Amend the Parameters and Guidelines to Adopt a Reasonable Reimbursement Methodology for the Los Rios Community College District and fifteen other districts.

SixTen and Associates has been appointed by the Districts as their 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
Voice: (916) 568-3058
Fax: (916) 568-3078
E-mail: SharpeJ@losrios.edu

Thank you.

Sincerely,

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

Keith B. Petersen

Request Prepared By:
 Keith B. Petersen
 SixTen and Associates
 3841 North Freeway Blvd., Suite 170
 Sacramento, California 95834
 Voice: (916) 565-6104
 Fax: (916) 564-6103
 E-mail: Kbpsixten@aol.com

BEFORE THE
 COMMISSION ON STATE MANDATES
 STATE OF CALIFORNIA

<u>Request of:</u>	)	CSM 99-TC-13 and 00-TC-15
)	
LOS RIOS	)	Education Code Section 76300
Cerritos	)	Title 5, California Code of Regulations
Citrus	)	Sections: 58501-58503
El Camino	)	58611- 58613
Gavilan	)	58620, 58630
Kern)	
Long Beach	)	Enrollment Fee Collection and
Mt. San Jacinto	)	Waivers
Palomar)	
San Bernardino	)	REQUEST TO AMEND PARAMETERS
Santa Monica)	
State Center	)	AND GUIDELINES TO ADOPT A
Sierra Joint)	
Victor Valley	)	REASONABLE REIMBURSEMENT
West Kern)	
Yosemite	)	METHODOLOGY
)	
Community College Districts)	

PART I. AUTHORITY FOR THE CLAIM

1 The Commission on State Mandates has the authority pursuant to Government
 2 Code Section 17557 (d) to "after public notice and hearing, amend, modify, or
 3 supplement the parameters and guidelines" upon the claim or request of a local

**Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
Enrollment Fee Collection and Waivers**

1 agency, school district, or state agency. Los Rios Community College District and all
2 requesting districts are school districts as defined in Government Code Section 17519.
3 Government Code Section 17557 (b) provides that “[i]n adopting parameters and
4 guidelines, the commission may adopt a reasonable reimbursement methodology.”

5 **PART II. STATEMENT OF THE ADOPTED MANDATE**

6 On April 24, 2003, the Commission on State Mandates, determined that
7 Education Code Section 76300, as added by Statutes of 1984 2nd ex., Chapter 1, and
8 later amended by Statutes of 1996, Chapter 63, and Statutes of 1999, Chapter 72, along
9 with California Code of Regulations, Title 5, Sections 58501-58503, 58611-58613,
10 58620, and 58630, imposed a new program or higher level of service on community
11 college districts. The Commission found that community college districts were required
12 to perform the following reimbursable activities: (1) Calculate and collect a student
13 enrollment fee for each student, with the exception of nonresident students and special
14 part-time students cited in Section 76300, subdivision (f); (2) Waive student fees in
15 accordance with Section 76300, subdivisions (g) and (h); (3) Waive fees for students
16 who apply for and are eligible for BOG fee waivers; (4) Report to the Community
17 Colleges Chancellor (CCC) the number of and amounts provided for BOG fee waivers;
18 and, (5) Adopt procedures to document all financial assistance provided on behalf of
19 students pursuant to Chapter 9 of Title 5 of the California Code of Regulations. The
20 original Parameters and Guidelines for this claim (Exhibit A) were adopted effective
21 January 26, 2006, and have not been subsequently amended.

1 PART III. REQUIREMENTS FOR REQUESTS TO
2 AMEND THE PARAMETERS AND GUIDELINES AND ADOPTION OF A
3 REASONABLE REIMBURSEMENT METHODOLOGY (RRM)

4 1. Requests to Amend the Parameters and Guidelines

5 Section 1183.2, Title 2, of California Code of Regulations (Register 2009-17)

6 requires:

- 7 (a) All requests pursuant to Government Code Section 17557 to amend,
8 modify, or supplement parameters and guidelines shall include the
9 proposed language for the specific sections of the existing parameters
10 and guidelines that are to be changed, and include a narrative explaining
11 why the amendment is required.
- 12 (b) Number of copies. A clamant or state agency requesting an amendment
13 to existing parameters and guidelines shall submit an original and seven
14 (7) copies of proposed amendments to commission staff.

15 2. Proposed Reasonable Reimbursement Methodology

16 Government Code Section 17518.5, subdivision (a), defines a Reasonable
17 Reimbursement Methodology (RRM) as “a formula for reimbursing local agencies and
18 school districts for costs mandated by the state.”

19 Government Code Section 17518.5, subdivision (b) requires that the reasonable
20 reimbursement methodology “shall be based on cost information from a representative
21 sample of eligible claimants, information provided by associations of local agencies and
22 school districts, or other projections of local costs.” Section 1183.131, Title 2, of
23 California Code of Regulations (Register 2009-17) requires at subdivision (b) that the
24 “[p]roposed reasonable reimbursement methodology, as described in Government
25 26

Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
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1 Code section 17518.5, shall include any documentation or assumption relied upon to
2 develop the proposed methodology.”

3 Government Code Section 17518.5, subdivision (c) requires that the reasonable
4 reimbursement methodology “shall consider the variation in costs among local agencies
5 and school districts to implement the mandate in a cost-efficient manner.” Section
6 1183.13, Title 2, of California Code of Regulations (Register 2009-17) defines “costs to
7 implement the mandate in a cost-efficient manner” to “include only those costs for the
8 activities that were determined to be reimbursable by the commission in the Statement
9 of Decision, and the costs for the most reasonable methods of complying with the
10 mandate pursuant to Section 1183.1, subdivision (a)(4), of these regulations.”

11 Government Code Section 17518.5, subdivision (d) requires that “[w]henver
12 possible, a reasonable reimbursement methodology shall be based on general
13 allocation formulas, uniform cost allowances, and other approximations of local costs
14 mandated by the state, rather than detailed documentation of actual local costs.”

15 **PART IV. PROPOSED CHANGES TO THE PARAMETERS AND GUIDELINES**

16 The District proposes the following changes to the language of the Parameters
17 and Guidelines in order to implement a reasonable reimbursement methodology.

18 I. Summary of the Mandate

19 No change.

20 II. Eligible Claimants

21 No change.

Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
Enrollment Fee Collection and Waivers

1 III. Period of Reimbursement

2 Add the following language:

3 "The period of reimbursement for this parameters and guidelines amendment
4 begins on July 1, 2008."

5 IV. Reimbursable Activities

6 No change.

7 V. Claim Preparation and Submission

8 Replace with the following:

9 A. Reasonable Reimbursement Methodology - Direct and Indirect Costs

10
11 The Commission is adopting a reasonable reimbursement methodology to reimburse
12 community college districts for all *direct and indirect* costs of the mandated activities
13 under the Enrollment Fee Collection and Enrollment Fee Waiver programs, as
14 authorized by Government Code Section 17557, subdivision (b), and 17518.5, in lieu of
15 filing detailed documentation of actual costs.

16
17 1. Reasonable Reimbursement Methodology

18
19 The definition of reasonable reimbursement methodology is in Government Code
20 section 17518.5 (as amended by Stats. 2007, ch. 329 (A.B. 1222)) as follows:

21
22 (a) "Reasonable reimbursement methodology" means a formula for
23 reimbursing local agencies and school districts for costs mandated by the
24 state, as defined in Section 17514.

25
26 (b) A reasonable reimbursement methodology shall be based on cost
27 information from a representative sample of eligible claimants, information
28 provided by associations of local agencies and school districts, or other
29 projections of local costs.

30
31 (c) A reasonable reimbursement methodology shall consider the
32 variation in costs among local agencies and school districts to implement
33 the mandate in a cost-efficient manner.
34

Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
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1 (d) Whenever possible, a reasonable reimbursement methodology
2 shall be based on general allocation formulas, uniform cost allowances,
3 and other approximations of local costs mandated by the state, rather
4 than detailed documentation of actual local costs. In cases when local
5 agencies and school districts are projected to incur costs to implement a
6 mandate over a period of more than one fiscal year, the determination of
7 a reasonable reimbursement methodology may consider local costs and
8 state reimbursements over a period of greater than one fiscal year, but not
9 exceeding 10 years.

10
11 (e) A reasonable reimbursement methodology may be developed by
12 any of the following:

- 13
14 (1) The Department of Finance.
15 (2) The Controller.
16 (3) An affected state agency.
17 (4) A claimant.
18 (5) An interested party.

19
20 2. Enrollment Fee Collection *Uniform Cost Allowance*

21
22 The reasonable reimbursement methodology for the mandated activities
23 of calculating and collecting the student enrollment fees for those students
24 that paid enrollment fees each semester/quarter (except nonresident
25 students and special part-time students cited in Section 76300,
26 subdivision (f)), and all related reimbursable program activities, shall
27 consist of a uniform cost allowance calculated as follows:

28
29 Multiply the total number of students that paid enrollment fees each
30 semester/quarter by the weighted average unit cost rate for the
31 relevant fiscal year. The weighted average unit cost rate for FY
32 2008-09 is \$14.98. The weighted average unit cost rate shall be
33 adjusted each subsequent year by the Implicit Price Deflator.

34
35 3. Enrollment Fee Waiver *Uniform Cost Allowance*

36
37 The reasonable reimbursement methodology for the mandated activities
38 of providing students a waiver of the payment of enrollment fees, and all
39 related reimbursable program activities, shall consist of a uniform cost
40 allowance calculated as follows:

41
42 Multiply the total number of students that requested enrollment fee

Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
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1 waivers each year by the weighted average unit cost rate for the
2 relevant fiscal year. The weighted average unit cost rate for FY
3 2008-09 is \$17.92. The weighted average unit cost rate shall be
4 adjusted each subsequent year by the Implicit Price Deflator.
5

6 VI. Record Retention

7 Replace existing language with the following:

8 Pursuant to Government Code section 17558.5, subdivision (a), a
9 reimbursement claim for actual costs filed by a school district pursuant to this
10 chapter is subject to the initiation of an audit by the Controller no later than three
11 years after the date that the actual reimbursement claim is filed or last amended,
12 whichever is later. However, if no funds are appropriated or no payment is made
13 to a claimant for the program for the fiscal year for which the claim is filed, the
14 time for the Controller to initiate an audit shall commence to run from the date of
15 initial payment of the claim. In any case, an audit shall be completed not later
16 than two years after the date that the audit is commenced. Pursuant to
17 Government Code section 17561, subdivision (d)(2), the Controller has the
18 authority to audit the application of a reasonable reimbursement methodology. If
19 an audit has been initiated by the Controller during the period subject to audit,
20 the retention period is extended until the ultimate resolution of any audit findings.
21 Community college districts must retain documentation that supports the
22 application of the reasonable reimbursement methodology, including
23 documentation supporting the number of students that paid enrollment fees and
24 the number of students that requested waiver of enrollment fees, and offsetting
25 revenue funded by restricted resources during the period subject to audit.
26

27 VII. Offsetting Savings and Reimbursements

28 No change.

29 VIII. State Controller’s Claiming Instructions

30 No change.

31 IX. Remedies Before the Commission

32 No change.

33 X. Legal and Factual Basis for the Parameters and Guidelines

Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
Enrollment Fee Collection and Waivers

1 No change.

2 PART V. STATEMENT OF REASONS FOR THE AMENDMENT

3 1. Period of Reimbursement (Parameters and Guidelines Part III)

4 "A parameters and guidelines amendment filed more than 90 days after the
5 claiming deadline for initial claims . . . and on or before the claiming deadline following a
6 fiscal year, shall establish reimbursement eligibility for that fiscal year," pursuant to
7 Government Code Section 17557, subsection (d). This request to amend the
8 parameters and guidelines is filed prior to the claiming deadline for the 2008-09 fiscal
9 year. Therefore, reimbursement eligibility is established beginning July 1, 2008.

10 2. Claim Preparation and Submission (Parameters and Guidelines Part V.)

11 The language proposed in new Part A (1) is consistent with the boilerplate
12 language for a reasonable reimbursement methodology stated in the Commission's
13 amendment to the parameters and guidelines for the Graduation Requirements
14 mandate that was adopted in November 2008. The language in new Part A (2) and A
15 (3) implements the proposed reasonable reimbursement methodology.

16 REPRESENTATIVE SAMPLE OF CLAIMANTS: The proposed weighted average unit
17 cost rates are derived from the annual reimbursement claim cost data submitted to the
18 State Controller for 24 community college districts which is one-third of the total number
19 of community college districts in the state. The calculation of the weighted average unit
20 cost rates is attached as Exhibit B. The annual reimbursement claim cost data utilized
21 is from the three most recent fiscal years for which data is available (FY 2004-05, FY

Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
Enrollment Fee Collection and Waivers

1 2005-06, and FY 2006-07) and will result in at least 50 percent of the districts receiving
2 reimbursement in an amount sufficient to fully offset their projected costs to implement
3 the mandate in a cost-efficient manner. A list of the amounts claimed by each district
4 for each fiscal year is attached as Exhibit C.

5 **COST-EFFICIENT MANNER:** The proposed weighted average unit cost rates are
6 derived from annual reimbursement claim cost data submitted by the districts pursuant
7 to the statement of reimbursable activities in the parameters and guidelines adopted by
8 the Commission. See Exhibit D.

9 **VARIATION IN COSTS AMONG CLAIMANTS:** The proposed uniform cost allowances
10 consider the variation in costs among the districts to implement the mandate in a cost-
11 efficient manner because they are dependent on the number of students paying
12 enrollment fees and the number of students obtaining waivers at each district. This
13 number of students varies between districts and the level of actual costs incurred is tied
14 to the number of students. Thus, the proposed uniform cost allowances meet all of the
15 requirements for a reasonable reimbursement methodology that balances accuracy with
16 simplicity. See Exhibit C.

17 **VI. Record Retention**

18 The language is consistent with the record retention requirements for a
19 reasonable reimbursement methodology in the Commission's recent adoptions, such as
20 under the amendment to the parameters and guidelines for the Graduation
21 Requirements mandate that was adopted in November 2008.

Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
Enrollment Fee Collection and Waivers

1 /

2 /

3 /

4 Attachments

5 Exhibit A: Current Parameters and Guidelines, adopted January 26, 2006

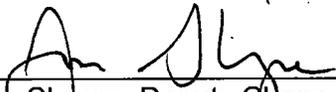
6 Exhibit B: Schedule 1: Computation of Weighted Average Unit Cost Rates

7 Exhibit C: Schedules 2: List of Amounts Claimed by District and Fiscal Year

8 Exhibit D: Forms FAM-27 and EFCW -1

Certification

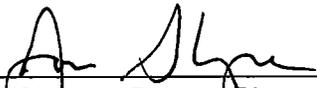
I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on May 12, 2009, at Sacramento, California, by:



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

APPOINTMENT OF REPRESENTATIVE

The Los Rios Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



Jon Sharpe, Deputy Chancellor
Los Rios Community College District

5/12/09

Date

Certification

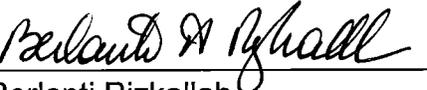
I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 23, 2009, at Norwalk, California, by:



Berlanti Rizkallah,
Director of Fiscal Services
Cerritos Community College District
11110 Alondra Blvd.
Norwalk, CA 90650
Phone: (562) 860-2451 Ext. 2266
Fax: (562) 924-2800

APPOINTMENT OF REPRESENTATIVE

The Cerritos Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



Berlanti Rizkallah
Director of Fiscal Services
Cerritos Community College District

4/23/09

Date

Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 27, 2009, at Glendora, California, by:



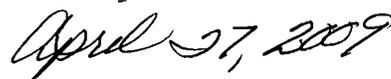
Carol R. Horton, Vice President
Financial and Admin Services
Citrus Community College District
1000 W. Foothill Blvd.
Glendora, CA 91741-1899
Phone: (626) 914-8886
Fax: (626) 914-8823

APPOINTMENT OF REPRESENTATIVE

The Citrus Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



Carol R. Horton, Vice President
Financial and Admin Services
Citrus Community College District



Date

Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 30, 2009, at Torrance, California, by:



Jo Ann Higdon, Vice President
Administrative Services
El Camino Community College District
16007 Crenshaw Blvd.
Torrance, CA 90506-0002
Phone: (310) 660-3107
Fax: (310) 660-3794

APPOINTMENT OF REPRESENTATIVE

The El Camino Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



Jo Ann Higdon, Vice President
Administrative Services
El Camino Community College District

4/30/09
Date

Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 30, 2009, at Gilroy, California, by:

Joseph D Keeler
Joseph D. Keeler, Vice President
Administrative Services
Gavilan Community College District
5055 Santa Teresa Blvd.
Gilroy, CA 94022
Phone: (408) 848-4715
Fax: (408) 846-4994

APPOINTMENT OF REPRESENTATIVE

The Gavilan Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.

Joseph D Keeler
Joseph D. Keeler, Vice President
Administrative Services
Gavilan Community College District

4-30-09
Date

Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 24, 2009, at Bakersfield, California, by:



Thomas J. Burke, Chief Financial Officer
Kern Community College District
2100 Chester Ave.
Bakersfield, CA 93301
Phone: (661) 336-5117
Fax: (661) 336-5134

APPOINTMENT OF REPRESENTATIVE

The Kern Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.

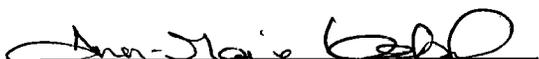


Thomas J. Burke, Chief Financial Officer
Kern Community College District

4/24/09
Date

Certification

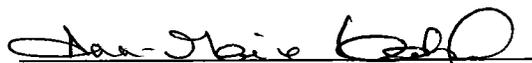
I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 21, 2009, at Long Beach, California, by:



Ann-Marie Gabel, Vice President
Administrative Services
Long Beach Community College District
4901 East Carson Street
Long Beach, CA 90808
Phone: (562) 938-4540
Fax: (562) 938-4118

APPOINTMENT OF REPRESENTATIVE

The Long Beach Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



Ann-Marie Gabel, Vice President
Administrative Services
Long Beach Community College District

4/21/09

Date

Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 21st, 2009, at San Jacinto, California, by:



George Kozitza, Vice President
Business Services
Mt. San Jacinto Community College District
1499 North State Street
San Jacinto, CA 92583
Phone: (951) 487-3012
Fax: (951) 654-6236

APPOINTMENT OF REPRESENTATIVE

The Mt. San Jacinto Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



George Kozitza, Vice President
Business Services
Mt. San Jacinto Community College District

April 21, 2009
Date

Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 30, 2009, at San Marcos, California, by:



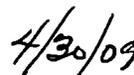
Bonnie Dowd, Vice President
Finance & Administrative Services
Palomar Community College District
1140 West Mission Road
San Marcos, CA 92069-1487
Phone: (760) 744-1150 Ext. 2109
Fax: (760) 744-8123

APPOINTMENT OF REPRESENTATIVE

The Palomar Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



Bonnie Dowd, Vice President
Finance & Administrative Services
Palomar Community College District



Date

Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 21, 2009, at San Bernardino, California, by:



Robert J. Temple, Vice-Chancellor
Financial Services
San Bernardino Community College District
114 S. Del Rosa Drive
San Bernardino, CA 92408
Phone: (909) 382-4021
Fax: (909) 382-0116

APPOINTMENT OF REPRESENTATIVE

The San Bernardino Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



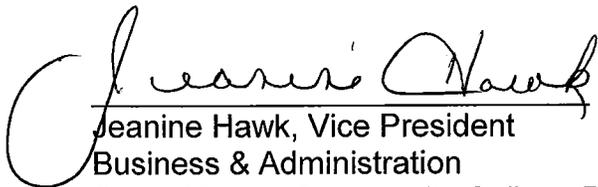
Robert J. Temple, Vice-Chancellor
Financial Services
San Bernardino Community College District

4-21-09

Date

Certification

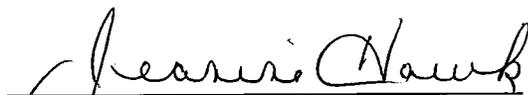
I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 23, 2009, at Santa Monica, California, by:



Jeanine Hawk, Vice President
Business & Administration
Santa Monica Community College District
1900 Pico Drive
Santa Monica, CA 90405-1628
Phone: (310) 434-4000 Ext. 4200
Fax: (310) 434-4386

APPOINTMENT OF REPRESENTATIVE

The Santa Monica Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



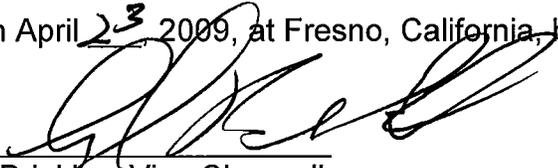
Jeanine Hawk, Vice President
Santa Monica Community College District

4/23/09

Date

Certification

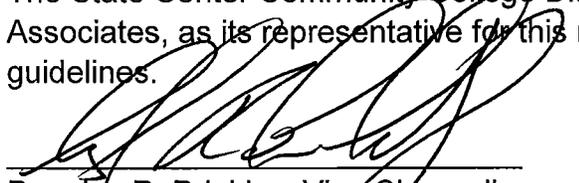
I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 23, 2009, at Fresno, California, by:



Douglas R. Brinkley, Vice Chancellor
Finance & Administration
State Center Community College District
1525 East Weldon Avenue
Fresno, CA 93704-6398
Phone: (559) 244-5910
Fax: (559) 243-1949

APPOINTMENT OF REPRESENTATIVE

The State Center Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.

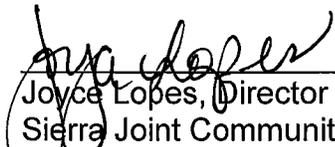


Douglas R. Brinkley, Vice Chancellor
Finance & Administration
State Center Community College District

4/23/09
Date

Certification

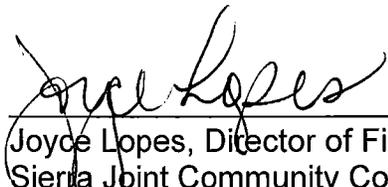
I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 23, 2009, at Rocklin, California, by:



Joyce Lopes, Director of Finance
Sierra Joint Community College District
5000 Rocklin Road
Rocklin, CA 95677
Phone: (916) 789-2658
Fax: (916) 781-0455

APPOINTMENT OF REPRESENTATIVE

The Sierra Joint Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



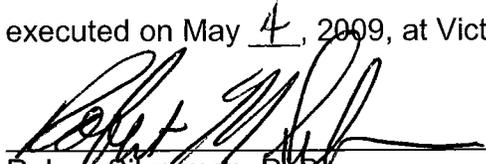
Joyce Lopes, Director of Finance
Sierra Joint Community College District

4/23/09

Date

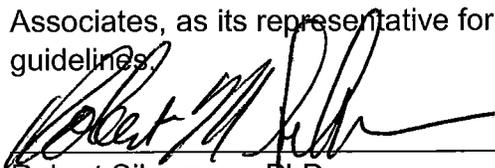
Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on May 4, 2009, at Victorville, California, by:


Robert Silverman, PhD,
Superintendent/President
Victor Valley Community College District
18422 Bear Valley Road
Victorville, CA 92395-5850
Phone: (760) 245-4271 Ext. 2150
Fax: (760) 245-9019

APPOINTMENT OF REPRESENTATIVE

The Victor Valley Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.


Robert Silverman, PhD,
Superintendent/President
Victor Valley Community College District

05-04-09

Date

Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 24, 2009, at Taft, California, by:



William Duncan IV, President
West Kern Community College District
29 Emmons Park Drive
Taft, CA 93628
Phone: (661) 763-7700
Fax: (661) 763-7705

APPOINTMENT OF REPRESENTATIVE

The West Kern Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.



William Duncan IV, President
West Kern Community College District

4/24/09

Date

Certification

I certify by my signature below that the statements made in this document and its exhibits are true and correct of my own knowledge or, as to all other matters, based upon information and belief. This request to amend the parameters and guidelines was executed on April 20, 2009, at Modesto, California, by:

Teresa Scott
Teresa Scott, Executive Vice-Chancellor
Yosemite Community College District
P.O. Box 4065
Modesto, CA 95352
Phone: (209) 575-6530
Fax: (209) 575-6562

APPOINTMENT OF REPRESENTATIVE

The Yosemite Community College District appoints Keith B. Petersen, SixTen and Associates, as its representative for this request to amend the parameters and guidelines.

Teresa Scott
Teresa Scott, Executive Vice-Chancellor
Yosemite Community College District

4/20/09
Date

**Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
Enrollment Fee Collection and Waivers**

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE PARAMETERS AND GUIDELINES ON:

Education Code Section 76300; Statutes 1984xx, Chapter 1; Statutes 1984, Chapters 274 and 1401; Statutes 1985, Chapters 920 and 1454; Statutes 1986, Chapters 46 and 394; Statutes 1987, Chapter 1118; Statutes 1989, Chapter 136; Statutes 1991, Chapter 114; Statutes 1992, Chapter 703; Statutes 1993, Chapters 8, 66, 67, and 1124; Statutes 1994, Chapters 153 and 422; Statutes 1995, Chapter 308; Statutes 1996, Chapter 63; and Statutes 1999, Chapter 72; California Code of Regulations, Title 5, Sections 58501 – 58503.

Filed on June 28, 2000,

By Los Rios Community College District, Claimant
and

Education Code Section 76300; Statutes 1984xx, Chapter 1; Statutes 1984, Chapters 274 and 1401; Statutes 1985, Chapters 920 and 1454; Statutes 1986, Chapters 46 and 394; Statutes 1987, Chapter 1118; Statutes 1989, Chapter 136; Statutes 1993, Chapters 8, 66, 67, and 1124; Statutes 1994, Chapters 153 and 422; Statutes 1995, Chapter 308; Statutes 1996, Chapter 63; and Statutes 1999, Chapter 72; California Code of Regulations, Title 5, Sections 58611 – 58613, 58620, 58630;

Filed on June 4, 2001,

By Glendale Community College District, Claimant.

No. 99-TC-13 and 00-TC-15

Enrollment Fee Collection and Waivers

ADOPTION OF PARAMETERS AND
GUIDELINES PURSUANT TO
GOVERNMENT CODE SECTION
17557 AND TITLE 2, CALIFORNIA
CODE OF REGULATIONS, SECTION
1183.14

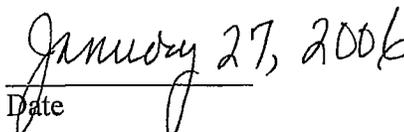
(Adopted on January 26, 2006)

PARAMETERS AND GUIDELINES

On January 26, 2006, the Commission on State Mandates adopted the attached Parameters and Guidelines.



e Director



Date

MAILED: Mail List
FAXED: _____
DATE: 1/27/06
INITIAL: LD
CHRON: _____
FILE: _____
WORKING BINDER: _____

**PROPOSED PARAMETERS AND GUIDELINES,
AS MODIFIED BY STAFF**

Education Code Section 76300

California Code of Regulations, Title 5, Sections 58501- 58503;
58611- 58613, 58620, 58630

Enrollment Fee Collection and Waivers (99-TC-13 and 00-TC-15)

Los Rios and Glendale Community College Districts, Claimants

I. SUMMARY OF THE MANDATE

Claimant Los Rios Community College District (LRCCD), submitted the *Enrollment Fee Collection* test claim (99-TC-13) in June 2000 alleging a reimbursable state mandate for community college districts by requiring specific new activities and costs related to collecting enrollment fees. Claimant Glendale Community College District (GCCD) submitted the *Enrollment Fee Waivers* (00-TC-15) test claim in June 2001 alleging a reimbursable state mandate for community college districts by requiring specific new activities and costs related to granting fee waivers, Board of Governor's (BOG) Grants and financial assistance to students. In August 2002, the *Enrollment Fee Collection* and *Enrollment Fee Waiver* test claims were consolidated.

On April 24, 2003, the Commission on State Mandates (Commission) adopted the Statement of Decision for the *Enrollment Fee Collection and Waivers* program. The Commission found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on community college districts within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514. Accordingly, the Commission approved this test claim for the following reimbursable activities:

- Calculating and collecting the student enrollment fee for each student enrolled except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f). (Ed. Code, § 76300, subs. (a) & (b); Cal. Code Regs., tit. 5, §§ 58501, 58502 & 58503.)
- Waiving student fees in accordance with the groups listed in Education Code section 76300, subdivisions (g) and (h).
- Waiving fees for students who apply for and are eligible for BOG fee waivers. (Cal. Code Regs., tit. 5, §§ 58612, 58613 & 58620.)
- Reporting to the Community Colleges Chancellor (CCC) the number of and amounts provided for BOG fee waivers. (Cal. Code Regs., tit. 5, § 58611.)
- Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance. (Cal. Code Regs., tit. 5, § 58630, subd. (b).)

The Commission found that all other test claim statutes and regulations not cited above do not impose reimbursable state-mandated activities within the meaning of article XIII B, section 6 and Government Code section 17514.

II. ELIGIBLE CLAIMANTS

Any community college district that incurs increased costs as a direct result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that fiscal year. The test claim for *Enrollment Fee Collection* (99-TC-13) was filed in June 2000, and the test claim for *Enrollment Fee Waivers* (00-TC-15) was filed in June 2001. Thus, costs incurred for compliance with *Enrollment Fee Collection* are reimbursable on or after July 1, 1998, and costs incurred for compliance with *Enrollment Fee Waivers* are reimbursable on or after July 1, 1999.

Actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.

If the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. Enrollment Fee Collection (*Reimbursement Period begins July 1, 1998*)

1. One-Time Activities

a. Policies and Procedures

Prepare district policies and procedures for the collection of enrollment fees.

b. Staff Training (One-time per employee)

Training district staff that implement the program on the procedures for the collection of enrollment fees.

2. Ongoing Activities

a. Calculating and collecting the student enrollment fee for each student enrolled, except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f). (Ed. Code, §76300, subs. (a) & (b); Cal. Code Regs., tit. 5, §§ 58501, 58502 & 58503). This includes:

- i. Referencing student accounts and records to determine course workload, status of payments, and eligibility for fee waiver. Printing a list of enrolled courses.
- ii. Calculating the total enrollment fee to be collected. Identifying method of payment. Collecting cash and making change as necessary. Processing credit card and other non-cash payment transactions (however, any fees that may be charged to a community college district by a credit card company or bank are not reimbursable). Preparing a receipt for payment received.
- iii. Answering student's questions regarding enrollment fee collection or referring them to the appropriate person for an answer.
- iv. Updating written and computer records for the enrollment fee information and providing a copy to the student. Copying and filing enrollment fee documentation.
- v. Collecting delinquent enrollment fees, including written or telephonic collection notices to students, turning accounts over to collection agencies, or small claims court action.
- vi. For students who establish fee waiver eligibility after the enrollment fee has been collected, providing a refund or enrollment fees paid and updating student and district records as required. (Refund process for change in program is not reimbursable).

B. Enrollment Fee Waiver (*Reimbursement Period begins July 1, 1999*)

1. One-Time Activities

a. Policies and Procedures

Prepare district policies and procedures for determining which students are eligible for waiver of the enrollment fees.

b. Staff Training (One-time per employee)

Training district staff that implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee.

2. Ongoing Activities

- a. Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation that will enable an independent determination regarding accuracy of the district's certification of need for financial assistance. (Cal. Code Regs., tit. 5, § 58630, subd. (b).)

Recording and maintaining records that document all of the financial assistance provided to students for the waiver of enrollment fees in a manner that will enable an independent determination of the district's certification of the need for financial assistance. (Cal. Code Regs., tit. 5, § 58630, subd. (b).)

- b. Waiving student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h). Waiving fees for students who apply for and are eligible for BOG fee waivers (Cal. Code Regs., tit. 5 §§ 58612, 58613 & 58620). This includes:

- i. Answering student's questions regarding enrollment fee waivers or referring them to the appropriate person for an answer.
- ii. Receiving of waiver applications from students by mail, fax, computer online access, or in person, or in the form of eligibility information processed by the financial aid office.
- iii. Evaluating each application and verification documents (dependency status, household size and income, SSI and TANF/CalWorks, etc.) for compliance with eligibility standards utilizing information provided by the student, from the student financial aid records (e.g., Free Application for Federal Student Aid (FAFSA)), and other records.
- iv. In the case of an incomplete application or incomplete documentation, notify the student of the additional required information and how to obtain that information. Hold student application and documentation in suspense file until all information is received.
- v. In the case of an approved application, copy all documentation and file the information for further review or audit. Entering the approved application information into district records and /or notifying other personnel performing other parts of the process (e.g., cashier's office). Providing the student with proof of eligibility or an award letter, and file paper documents in the annual file.
- vi. In the case of a denied application, reviewing and evaluating additional information and documentation provided by the student if the denial is appealed by the student. Provide written notification to the student of the results of the appeal or any change in eligibility status.

- c. Reporting to the CCC the number of and amounts provided for BOG fee waivers. (Cal. Code Regs., tit. 5, § 58611.)

V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter¹ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

¹ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

VII. OFFSETTING SAVINGS AND REIMBURSEMENTS

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

Enrollment Fee Collection Program:

The costs of the Enrollment Fee Collection program are subject to an offset of two percent (2%) of the revenue from enrollment fees (Ed. Code, § 76000, subd. (c)).

Enrollment Fee Waiver Program:

The costs of the Enrollment Fee Waiver program are subject to the following offsets:

July 1, 1999 to July 4, 2000:

- For low income students² or recipients of public assistance,³ or dependents or surviving spouses of National Guard soldiers killed in the line of duty,⁴ as defined:
 - an offset identified in Education Code section 76300, subdivision (m), that requires the Community College Board of Governors, from funds in the annual budget act, to allocate to community colleges two percent (2%) of the fees waived, under subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined] of section 76300; and
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined), or dependents or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived:

² “[A]ny student who demonstrates eligibility according to income standards established by the board of governors and contained in Section 58260 of Title 5 of the California Code of Regulations.” (Ed. Code, § 76300, subd. (g)(2).)

³ “[A]ny student who, at the time of enrollment, is a recipient of benefits under the Temporary Assistance to Needy Families program, the Supplemental Security Income/State Supplementary Program, or a general assistance program or has demonstrated 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.” (Ed. Code, § 76300, subd. (g)(1).)

⁴ “[A]ny student who, at the time of enrollment is a dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. “Active service of the state,” for the purposes of this subdivision, refers to a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.” (Ed. Code, § 76300, subd. (h).)

- o from funds provided in the annual State Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to seven percent (7%) of the fee waivers provided pursuant to subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined].⁵

Beginning July 5, 2000:

- For low income students (as defined, or recipients of public assistance (as defined) or dependents or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived (as defined):
 - an offset identified in Education Code section 76300, subdivision (m), that requires the Community College Board of Governors, from funds in the annual budget act, to allocate to community colleges two percent (2%) of the fees waived, under subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents of California National Guard soldiers killed in the line of duty as defined] of section 76300;
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined) for whom fees are waived
 - o requires the Board of Governors to allocate from funds in the annual State Budget Act ninety-one cents (\$.91) per credit unit waived pursuant to subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents of California National Guard soldiers killed in the line of duty as defined]
- Any budget augmentation received under the Board Financial Assistance Program Administrative Allowance, or any other state budget augmentation received for administering the fee waiver program.

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

⁵ These waiver provisions were subsequently expanded to waive fees for children of law enforcement personnel or firefighters killed in the line of duty (Ed. Code, § 76300, subd. (i)), or dependents of victims of the September 11, 2001 terrorist attacks (Ed. Code, § 76300, subd. (j)), but these parameters and guidelines do not include those waiver recipients because they were added by Statutes 2002, chapter 450 and are outside the scope of the Statement of Decision.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
Enrollment Fee Collection and Waivers

Schedule 1:
Request to Amend the Parameters and Guidelines
308/95 Enrollment Fee Collection and Waivers
Computation of Weighted Average Unit Cost Rates

Source: Schedules 2 for each Fiscal Year (Exhibit C)

ENROLLMENT FEE COLLECTION

<u>Fiscal Year</u>	(A) Enrollment Fee Collection <u>Costs</u>	(B) # Students Paying Enrollment <u>Fees</u>
2004-05	\$14,682,540	1,048,168
2005-06	\$15,089,086	1,034,559
2006-07	<u>\$13,966,805</u>	<u>837,819</u>
Totals	\$43,738,431	2,920,546

Weighted Average Unit Cost Rate: (A) divided by (B) = \$14.98 per student paying fees

ENROLLMENT FEE WAIVERS

<u>Fiscal Year</u>	(A) Enrollment Fee Waiver <u>Costs</u>	(B) Number of Waviers <u>Granted</u>
2004-05	\$5,837,229	304,449
2005-06	\$5,979,892	320,102
2006-07	<u>\$4,604,171</u>	<u>292,054</u>
Totals	\$16,421,292	916,605

Weighted Average Unit Cost Rate: (A) divided by (B) = \$17.92 per waiver requested

**Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
Enrollment Fee Collection and Waivers**

Schedule 2
 Request to Amend the Parameters and Guidelines
 308/95 Enrollment Fee Collections/Waivers
 Amounts Claimed by Districts
 Fiscal Year: 2004-05

Source: Exhibit D - Forms FAM-27 and EFCW-1 for each District

ref #	Community College District	Indirect Costs Rate	Students Paying Enrollment Fees	EFC Costs	EFC (Indirect Costs Included)	Per Unit EFC Cost	Waivers Granted	EFC Costs	EFW Costs	EFW (Indirect Costs Included)	Per Unit EFW Cost
1	Allan Hancock	31.81%	28,200	\$ 82,409	\$ 108,624	\$ 3.85	4,999	\$ 18,031	\$ 23,767	\$ 4.75	
2	Cerritos	34.11%	30,866	407,028	545,865	17.68	26,726	177,977	238,685	8.93	
3	Citrus	40.58%	17,161	336,002	472,352	27.52	10,134	91,485	128,609	12.69	
4	Contra	32.80%	81,437	841,894	1,118,035	13.73	13,240	291,386	386,960	29.23	
5	El Camino	35.22%	55,752	544,633	736,452	13.21	10,245	173,918	235,171	22.95	
6	Foothill-DeAnza	29.66%	90,840	1,272,811	1,650,327	18.17	9,917	142,907	185,293	18.68	
7	Gavilan	33.96%	13,377	329,709	441,678	33.02	2,862	16,457	22,046	7.70	
8	Kern	42.89%	13,466	254,577	363,765	27.01	33,447	311,083	444,506	13.29	
9	Long Beach	32.33%	64,570	407,297	538,976	8.35	9,473	20,388	26,980	2.85	
10	Los Rios	31.96%	129,180	945,313	1,247,435	9.66	37,572	570,422	752,729	20.03	
11	Mt. San Jacinto	36.94%	11,817	136,953	187,543	15.87	6,741	140,741	192,731	28.59	
12	North Orange County	39.00%	64,582	688,552	957,087	14.82	20,806	334,447	464,881	22.34	
13	Palomar	27.57%	44,671	517,726	660,462	14.79	7,663	93,780	119,636	15.61	
14	Pasadena Area	32.80%	43,750	106,286	141,148	3.23	14,622	201,645	267,784	18.31	
15	Redwoods	37.90%	4,194	34,038	46,938	11.19	4,887	35,885	49,486	10.13	
16	San Bernardino	45.62%	20,623	585,308	852,325	41.33	12,975	46,497	67,709	5.22	
17	San Mateo County	30.00%	59,525	705,089	916,615	15.40	10,588	301,997	392,596	37.08	
18	Santa Monica	36.91%	66,028	838,984	1,148,653	17.40	9,662	284,797	389,916	40.36	
19	Sierra Joint	40.90%	36,660	186,673	263,023	7.17	7,131	70,609	99,487	13.95	
20	State Center	36.50%	40,987	470,326	641,996	15.66	25,154	495,651	676,564	26.90	
21	West Kern	38.32%	22,253	43,127	59,653	2.68	3,006	38,598	53,388	17.76	
22	West Valley-Mission	35.80%	54,966	759,383	1,031,242	18.76	5,647	276,684	375,737	66.54	
23	Yosemite	34.88%	21,106	173,412	233,897	11.08	10,355	122,798	165,630	16.00	
24	Victor Valley	45.61%	32,157	218,699	318,448	9.90	6,597	52,838	76,937	11.66	
Total:			1,048,168	\$ 10,866,228	\$ 14,682,540	\$ 14.01	304,449	\$ 4,311,020	\$ 5,837,229	\$ 19.17	

Request to Amend Parameters and Guidelines of Los Rios CCD, et al.
Enrollment Fee Collection and Waivers

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only	Program 267												
(01) Claimant Identification Number: CC42005			(19) Program Number 00267													
(02) Claimant Name: Allan Hancock Joint Community College District			(20) Date Filed: ___/___/___													
County of Location: Santa Barbara			(21) LRS Input: ___/___/___													
Street Address or P.O. Box: 800 S College Drive			Reimbursement Claim Data													
City: Santa Maria State: CA Zip Code: 93454-6399			(22) EFCW-1, (04)(A)(1)(a)(f)													
			(23) EFCW-1, (04)(A)(1)(b)(f)													
			(24) EFCW-1, (04)(A)(2)(a)(f)	82,409												
			(25) EFCW-1, (04)(B)(1)(a)(f)													
			(26) EFCW-1, (04)(B)(1)(b)(f)													
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:20%;">Type of Claim</th> <th style="width:20%;">Estimated Claim</th> <th style="width:20%;">Reimbursement Claim</th> </tr> </thead> <tbody> <tr> <td>(03) Estimated</td> <td><input type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> </tr> <tr> <td>(04) Combined</td> <td><input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> </tr> <tr> <td>(05) Amended</td> <td><input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> </tr> </tbody> </table>			Type of Claim	Estimated Claim	Reimbursement Claim	(03) Estimated	<input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(04) Combined	<input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(05) Amended	<input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	859
Type of Claim	Estimated Claim	Reimbursement Claim														
(03) Estimated	<input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>														
(04) Combined	<input type="checkbox"/>	(10) Combined <input type="checkbox"/>														
(05) Amended	<input type="checkbox"/>	(11) Amended <input type="checkbox"/>														
			(28) EFCW-1, (04)(B)(2)(b)(f)	16,843												
			(29) EFCW-1, (04)(B)(2)(c)(f)	330												
Fiscal Year of cost: (06) 2004-2005			(30) EFCW-1, (06)	32												
Total Claimed Amount: (07)			(31) EFCW-1, (07)	30,272												
Less: 10% Late Penalty			(32) EFCW-1, (09)	41,991												
Less: Prior Claim Payment Received			(33) EFCW-1, (10)	18,031												
Net Claimed Amount			(34)													
Due from State: (08)			(35)													
Due to State			(36)													
(37) CERTIFICATION OF CLAIM																
<p>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.</p> <p>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.</p> <p>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.</p>																
Signature of Authorized Officer (USE BLUE INK)			Date													
			5/10/07													
Elizabeth Miller, Ed. D.			Vice-President, Administrative Services													
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													

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY					FORM EFCW-1
(01) Claimant: Allan Hancock Joint Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2004-2005	
(03) Leave Blank						
Direct Costs		Object Accounts				
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 77,991.42	\$ 1,876.00	\$ -	\$ 2,542.00	\$ -	\$ 82,409.42
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ 858.59	\$ -	\$ -	\$ 858.59
b. Waiving student fees	\$ 16,842.80	\$ -	\$ -	\$ -	\$ -	\$ 16,842.80
c. Reporting BOG fee waiver data to CCC	\$ 330.06	\$ -	\$ -	\$ -	\$ -	\$ 330.06
(05) Total Direct Costs	\$ 95,164.28	\$ 1,876.00	\$ 858.59	\$ 2,542.00	\$ -	\$ 100,440.87
Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					31.81%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 30,271.76
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 130,712.63
Cost Reduction						
(09) Less: Enrollment Fee Revenue offset						\$ 41,991.00
(10) Less: Enrollment Fee Waiver offsets						\$ 18,031.31
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]					\$ 70,690.32

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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LABEL HERE

(01) Claimant Identification Number: CC 19080			Reimbursement Claim Data	
(02) Claimant Name: Cerritos Community College District			(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: Los Angeles			(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 11110 Alondra Blvd.			(24) EFCW-1, (04)(A)(2)(a)(f)	407,028
City: Norwalk	State: CA	Zip Code: 90650	(25) EFCW-1, (04)(B)(1)(a)(f)	390
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	988
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	176,512
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	88
Fiscal Year of cost	(06)	(12) 2004-2005	(30) EFCW-1, (06)	34
Total Claimed Amount	(07)	(13) \$ 497,436	(31) EFCW-1, (07)	199,545
Less: 10% Late Penalty		(14) \$ 49,744	(32) EFCW-1, (09)	109,137
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	177,977
Net Claimed Amount		(16) \$ 447,692	(34)	
Due from State	(08)	(17) \$ 447,692	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)

Date

Berlanti Rizkallah

6/28/07

Berlanti "Lola" Rizkallah

Director of Fiscal Services

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY					FORM EFCW-1
(01) Claimant: Cerritos Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2004-2005	
(03) Leave Blank						
Direct Costs		Object Accounts				
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 407,027.77	\$ -	\$ -	\$ -	\$ -	\$ 407,027.77
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 389.93	\$ -	\$ -	\$ -	\$ -	\$ 389.93
b. Staff training (One time per employee)	\$ 987.86	\$ -	\$ -	\$ -	\$ -	\$ 987.86
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 176,511.51	\$ -	\$ -	\$ -	\$ -	\$ 176,511.51
c. Reporting BOG fee waiver data to CCC	\$ 87.56	\$ -	\$ -	\$ -	\$ -	\$ 87.56
(05) Total Direct Costs	\$ 585,004.63	\$ -	\$ -	\$ -	\$ -	\$ 585,004.63
Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					34.11%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 199,545.08
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 784,549.71
Cost Reduction						
(09) Less: Enrollment Fee Revenue offset						\$ 109,137.00
(10) Less: Enrollment Fee Waiver offsets						\$ 177,976.89
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]					\$ 497,435.82

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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LABEL HERE	(01) Claimant Identification Number: CC19090		Reimbursement Claim Data		
	(02) Claimant Name Citrus Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	1,406	
	County of Location Los Angeles		(23) EFCW-1, (04)(A)(1)(b)(f)	1,262	
	Street Address or P.O. Box 1000 West Foothill Blvd.		(24) EFCW-1, (04)(A)(2)(a)(f)	333,334	
	City Glendora	State CA	Zip Code 91741-1899	(25) EFCW-1, (04)(B)(1)(a)(f)	254
	Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	254
		(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	300
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	87,060
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	3,616
	Fiscal Year of cost	(06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06)	41
Total Claimed Amount	(07) \$ 508,500	(13) \$ 462,325	(31) EFCW-1, (07)	173,474	
Less : 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	47,151	
Less : Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	91,485	
Net Claimed Amount		(16) \$ 462,325	(34)		
Due from State	(08) \$ 508,500	(17) \$ 462,325	(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)

Carol R. Horton

Date

7/17/06

Carol R. Horton

Type or Print Name

Vice President, Financial and Administrative Services

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Citrus 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 1,405.90	\$ -	\$ -	\$ -	\$ -	\$ 1,405.90
b. Staff training (One time per employee)	\$ 1,261.82	\$ -	\$ -	\$ -	\$ -	\$ 1,261.82

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 333,334.36	\$ -	\$ -	\$ -	\$ -	\$ 333,334.36
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 254.39	\$ -	\$ -	\$ -	\$ -	\$ 254.39
b. Staff training (One time per employee)	\$ 254.39	\$ -	\$ -	\$ -	\$ -	\$ 254.39

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 299.80	\$ -	\$ -	\$ -	\$ -	\$ 299.80
b. Waiving student fees	\$ 87,060.43	\$ -	\$ -	\$ -	\$ -	\$ 87,060.43
c. Reporting BOG fee waiver data to CCC	\$ 3,615.59	\$ -	\$ -	\$ -	\$ -	\$ 3,615.59
(05) Total Direct Costs	\$ 427,486.68	\$ -	\$ -	\$ -	\$ -	\$ 427,486.68

Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	40.58%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 173,474.09
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 600,960.77

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 47,151.00
(10) Less: Enrollment Fee Waiver offsets	\$ 91,484.60
(11) Total Claimed Amount	\$ 462,325.17

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC07030	Reimbursement Claim Data	
(02) Claimant Name: Contra Costa Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	2,743
County of Location: Contra Costa	(23) EFCW-1, (04)(A)(1)(b)(f)	1,074
Street Address or P.O. Box: 500 Court Street	(24) EFCW-1, (04)(A)(2)(a)(f)	838,077
City: Martinez State: CA Zip Code: 94553	(25) EFCW-1, (04)(B)(1)(a)(f)	1,550

Type of Claim	Estimated Claim	Reimbursement Claim	
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	2,435
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	8,192
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	276,748
		(29) EFCW-1, (04)(B)(2)(c)(f)	2,460
Fiscal Year of cost: (06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06)	33
Total Claimed Amount: (07) \$ 1,348,700	(13) \$ 1,226,106	(31) EFCW-1, (07)	370,465
Less: 10% Late Penalty	(14) \$ -	(32) EFCW-1, (09)	48,713
Less: Prior Claim Payment Received	(15) \$ -	(33) EFCW-1, (10)	228,926
Net Claimed Amount	(16) \$ 1,226,106	(34)	
Due from State: (08) \$ 1,348,700	(17) \$ 1,226,106	(35)	
Due to State	(18)	(36)	

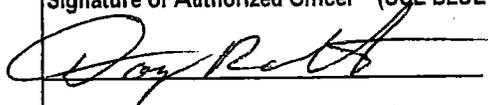
(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

 6-30-06

Doug Roberts V.C., Finance and Administration

Type or Print Name Title

(38) Name of Contact Person for Claim

SixTen and Associates Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY						FORM EFCW-1
(01) Claimant: Contra Costa Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2004-2005	
(03) Leave Blank							
Direct Costs		Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)							
a.	Preparing district policies & procedures for § IV.A.	\$ 2,743.01	\$ -	\$ -	\$ -	\$ -	\$ 2,743.01
b.	Staff training (One time per employee)	\$ 1,073.73	\$ -	\$ -	\$ -	\$ -	\$ 1,073.73
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)							
a.	Calculating and collecting enrollment fees	\$ 838,077.19	\$ -	\$ -	\$ -	\$ -	\$ 838,077.19
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)							
a.	Preparing district policies & procedures for § IV.B.	\$ 1,549.79	\$ -	\$ -	\$ -	\$ -	\$ 1,549.79
b.	Staff training (One time per employee)	\$ 2,435.32	\$ -	\$ -	\$ -	\$ -	\$ 2,435.32
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)							
a.	Adopting procedures, recording, and maintaining records	\$ 4,378.10	\$ 3,814.00	\$ -	\$ -	\$ -	\$ 8,192.10
b.	Waiving student fees	\$ 276,748.43	\$ -	\$ -	\$ -	\$ -	\$ 276,748.43
c.	Reporting BOG fee waiver data to CCC	\$ 2,460.18	\$ -	\$ -	\$ -	\$ -	\$ 2,460.18
(05) Total Direct Costs		\$ 1,129,465.75	\$ 3,814.00	\$ -	\$ -	\$ -	\$ 1,133,279.75
Indirect Costs							
(06) Indirect Cost Rate						[From OMB A-21, FAM-29C, or 7%]	32.80%
(07) Total Indirect Costs						[Line (06) x line (05)(a)]	\$ 370,464.77
(08) Total Direct and Indirect Costs						[Line (05)(f) + line (07)]	\$ 1,503,744.52
Cost Reduction							
(09) Less: Enrollment Fee Revenue offset							\$ 48,713.00
(10) Less: Enrollment Fee Waiver offsets							\$ 228,926.00
(11) Total Claimed Amount						[Line (08) - {Line (09) + Line (10)}]	\$ 1,226,105.52

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> / / </u>	
	(21) LRS Input <u> / / </u>	

L A B E L H E R E	(01) Claimant Identification Number: CC19140		Reimbursement Claim Data		
	(02) Claimant Name El Camino Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	518	
	(03) County of Location Los Angeles		(23) EFCW-1, (04)(A)(1)(b)(f)	5,111	
	(04) Street Address or P.O. Box 16007 Crenshaw Boulevard		(24) EFCW-1, (04)(A)(2)(a)(f)	539,004	
	(05) City Torrance	(06) State CA	(07) Zip Code 90506-0002	(25) EFCW-1, (04)(B)(1)(a)(f)	320
	Type of Claim Estimated Claim Reimbursement Claim	(08) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	6,166
		(10) Combined <input type="checkbox"/>	(11) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	49,143
		(12) Amended <input type="checkbox"/>	(13) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	108,432
		(14) Amended <input type="checkbox"/>	(15) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	9,857
	(16) Fiscal Year of cost	(17) (06) 2005-2006	(18) (12) 2004-2005	(30) EFCW-1, (06)	35
(19) Total Claimed Amount	(20) \$ 818,500	(21) \$ 744,120	(31) EFCW-1, (07)	253,073	
(22) Less : 10% Late Penalty		(23) \$ -	(32) EFCW-1, (09)	53,586	
(24) Less : Prior Claim Payment Received		(25) \$ -	(33) EFCW-1, (10)	173,918	
(26) Net Claimed Amount		(27) \$ 744,120	(34)		
(28) Due from State	(29) (08) \$ 818,500	(30) (17) \$ 744,120	(35)		
(31) Due to State		(32) (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

Pamela Fees 6-26-06

Pamela Fees Business Manager

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: El Camino Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> <input type="checkbox"/> Estimated <input type="checkbox"/> <input type="checkbox"/>	Fiscal Year 2004-2005
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 517.87	\$ -	\$ -	\$ -	\$ -	\$ 517.87
b. Staff training (One time per employee)	\$ 5,110.50	\$ -	\$ -	\$ -	\$ -	\$ 5,110.50

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 539,004.43	\$ -	\$ -	\$ -	\$ -	\$ 539,004.43

B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 320.45	\$ -	\$ -	\$ -	\$ -	\$ 320.45
b. Staff training (One time per employee)	\$ 6,165.51	\$ -	\$ -	\$ -	\$ -	\$ 6,165.51

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 49,142.90	\$ -	\$ -	\$ -	\$ -	\$ 49,142.90
b. Waiving student fees	\$ 108,431.55	\$ -	\$ -	\$ -	\$ -	\$ 108,431.55
c. Reporting BOG fee waiver data to CCC	\$ 9,857.13	\$ -	\$ -	\$ -	\$ -	\$ 9,857.13

(05) Total Direct Costs	\$ 718,550.34	\$ -	\$ -	\$ -	\$ -	\$ 718,550.34
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Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	35.22%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 253,073.43
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 971,623.77

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 53,586.00
(10) Less: Enrollment Fee Waiver offsets	\$ 173,917.54
(11) Total Claimed Amount	\$ 744,120.23 [Line (08) - {Line (09) + Line (10)}]

CLAIM FOR PAYMENT
 Pursuant to Government Code Section 17561
ENROLLMENT FEE COLLECTION AND WAIVERS

For State Controller Use Only
 (19) Program Number 00267
 (20) Date Filed ___/___/___
 (21) LRS Input ___/___/___

Program
267

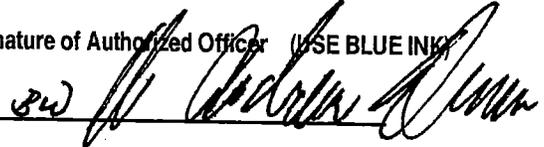
LABEL HERE	(01) Claimant Identification Number: CC 43045		Reimbursement Claim Data		
	(02) Claimant Name: Foothill-De Anza Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	2,703	
	County of Location: Santa Clara		(23) EFCW-1, (04)(A)(1)(b)(f)	5,798	
	Street Address or P.O. Box: 12345 El Monte Road		(24) EFCW-1, (04)(A)(2)(a)(f)	1,264,310	
	City: Los Altos Hills	State: CA	Zip Code: 94022	(25) EFCW-1, (04)(B)(1)(a)(f)	4,026
	Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	2,431
		(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	34,719
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	90,476
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	11,256
	Fiscal Year of cost	(06)	(12) 2004-2005	(30) EFCW-1, (06)	30
Total Claimed Amount	(07)	(13) \$ 1,608,218	(31) EFCW-1, (07)	419,902	
Less: 10% Late Penalty		(14) \$ 160,822	(32) EFCW-1, (09)	84,495	
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	142,907	
Net Claimed Amount		(16) \$ 1,447,396	(34)		
Due from State	(08)	(17) \$ 1,447,396	(35)		
Due to State		(18)	(36)		

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)


Date: 7-16-07

Andrew Dunn
 Type or Print Name

Vice Chancellor, Business Services
 Title

(38) Name of Contact Person for Claim

SixTen and Associates

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY						FORM EFCW-1
(01) Claimant: Foothill-De Anza Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2004-2005	
(03) Leave Blank							
Direct Costs		Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)							
a. Preparing district policies & procedures for § IV.A.	\$ 2,702.64	\$ -	\$ -	\$ -	\$ -	\$ 2,702.64	
b. Staff training (One time per employee)	\$ 5,798.46	\$ -	\$ -	\$ -	\$ -	\$ 5,798.46	
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)							
a. Calculating and collecting enrollment fees	\$ 1,264,309.97	\$ -	\$ -	\$ -	\$ -	\$ 1,264,309.97	
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)							
a. Preparing district policies & procedures for § IV.B.	\$ 4,025.80	\$ -	\$ -	\$ -	\$ -	\$ 4,025.80	
b. Staff training (One time per employee)	\$ 2,430.88	\$ -	\$ -	\$ -	\$ -	\$ 2,430.88	
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)							
a. Adopting procedures, recording, and maintaining records	\$ 34,719.36	\$ -	\$ -	\$ -	\$ -	\$ 34,719.36	
b. Waiving student fees	\$ 90,475.52	\$ -	\$ -	\$ -	\$ -	\$ 90,475.52	
c. Reporting BOG fee waiver data to CCC	\$ 11,255.54	\$ -	\$ -	\$ -	\$ -	\$ 11,255.54	
(05) Total Direct Costs	\$ 1,415,718.17	\$ -	\$ -	\$ -	\$ -	\$ 1,415,718.17	
Indirect Costs							
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					29.66%	
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 419,902.01	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 1,835,620.18	
Cost Reduction							
(09) Less: Enrollment Fee Revenue offset						\$ 84,495.00	
(10) Less: Enrollment Fee Waiver offsets						\$ 142,907.10	
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]					\$ 1,608,218.08	

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC43060	Reimbursement Claim Data	
(02) Claimant Name Gavilan Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	1,389
(03) County of Location Santa Clara	(23) EFCW-1, (04)(A)(1)(b)(f)	869
(04) Street Address or P.O. Box 5055 Santa Teresa Blvd	(24) EFCW-1, (04)(A)(2)(a)(f)	327,451
(05) City State Zip Code Gilroy CA 95020-9599	(25) EFCW-1, (04)(B)(1)(a)(f)	105

Type of Claim	Estimated Claim	Reimbursement Claim		
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	14,789
			(29) EFCW-1, (04)(B)(2)(c)(f)	1,564
Fiscal Year of cost	(06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06)	34
Total Claimed Amount	(07) \$ 470,200	(13) \$ 427,505	(31) EFCW-1, (07)	117,332
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	19,536
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	16,457
Net Claimed Amount		(16) \$ 427,505	(34)	
Due from State	(08) \$ 470,200	(17) \$ 427,505	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) _____ Date 7/11/06

Joseph D. Keeler _____ Vice President, Administrative Services
 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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Gavilan 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 1,388.54	\$ -	\$ -	\$ -	\$ -	\$ 1,388.54
b. Staff training (One time per employee)	\$ 868.80	\$ -	\$ -	\$ -	\$ -	\$ 868.80

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 326,785.25	\$ -	\$ 666.20	\$ -	\$ -	\$ 327,451.45
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 104.79	\$ -	\$ -	\$ -	\$ -	\$ 104.79
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 14,788.52	\$ -	\$ -	\$ -	\$ -	\$ 14,788.52
c. Reporting BOG fee waiver data to CCC	\$ 1,563.84	\$ -	\$ -	\$ -	\$ -	\$ 1,563.84
(05) Total Direct Costs	\$ 345,499.74	\$ -	\$ 666.20	\$ -	\$ -	\$ 346,165.94

Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	33.96%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 117,331.71
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 463,497.65

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 19,536.00	
(10) Less: Enrollment Fee Waiver offsets	\$ 16,457.15	
(11) Total Claimed Amount	[Line (08) - {(Line (09) + Line (10))}]	\$ 427,504.50

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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LABEL HERE	(01) Claimant Identification Number: CC15095		Reimbursement Claim Data	
	(02) Claimant Name: Kern Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	
	County of Location: Kern		(23) EFCW-1, (04)(A)(1)(b)(f)	
	Street Address or P.O. Box: 2100 Chester Avenue		(24) EFCW-1, (04)(A)(2)(a)(f)	254,577
	City: Bakersfield	State: CA	Zip Code: 93301	(25) EFCW-1, (04)(B)(1)(a)(f) 839

Type of Claim	Estimated Claim	Reimbursement Claim		
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)		1,885
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)		1,678
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)		301,359
		(29) EFCW-1, (04)(B)(2)(c)(f)		5,322
Fiscal Year of cost	(06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06)	43
Total Claimed Amount	(07) \$ 393,500	(13) \$ 357,803	(31) EFCW-1, (07)	242,612
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	139,386
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	311,083
Net Claimed Amount		(16) \$ 357,803	(34)	
Due from State	(08) \$ 393,500	(17) \$ 357,803	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) _____ Date July 17, 2006

John Griffith _____ Director, Budget and Payroll Services

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Kern 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 254,577.01	\$ -	\$ -	\$ -	\$ -	\$ 254,577.01
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 839.25	\$ -	\$ -	\$ -	\$ -	\$ 839.25
b. Staff training (One time per employee)	\$ 1,884.70	\$ -	\$ -	\$ -	\$ -	\$ 1,884.70

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 1,678.33	\$ -	\$ -	\$ -	\$ -	\$ 1,678.33
b. Waiving student fees	\$ 301,359.00	\$ -	\$ -	\$ -	\$ -	\$ 301,359.00
c. Reporting BOG fee waiver data to CCC	\$ 5,321.68	\$ -	\$ -	\$ -	\$ -	\$ 5,321.68

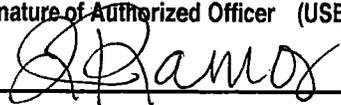
(05) Total Direct Costs	\$ 565,659.97	\$ -	\$ -	\$ -	\$ -	\$ 565,659.97
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Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	42.89%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 242,611.56
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 808,271.53

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 139,386.00
(10) Less: Enrollment Fee Waiver offsets	\$ 311,082.96
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))] \$ 357,802.57

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only	Program 267
(01) Claimant Identification Number: CC 19250			(19) Program Number 00267	
(02) Claimant Name Long Beach Community College District			(20) Date Filed ___/___/___	
County of Location Los Angeles			(21) LRS Input ___/___/___	
Street Address or P.O. Box 4901 East Carson Street			Reimbursement Claim Data	
City Long Beach State CA Zip Code 90808			(22) EFCW-1, (04)(A)(1)(a)(f)	
			(23) EFCW-1, (04)(A)(1)(b)(f)	75
			(24) EFCW-1, (04)(A)(2)(a)(f)	407,222
			(25) EFCW-1, (04)(B)(1)(a)(f)	45
			(26) EFCW-1, (04)(B)(1)(b)(f)	
			(27) EFCW-1, (04)(B)(2)(a)(f)	
			(28) EFCW-1, (04)(B)(2)(b)(f)	18,241
			(29) EFCW-1, (04)(B)(2)(c)(f)	2,102
Fiscal Year of cost (06) 2004-2005			(30) EFCW-1, (06)	32
Total Claimed Amount (07) \$ 344,399			(31) EFCW-1, (07)	89,505
Less: 10% Late Penalty (14) \$ 34,440			(32) EFCW-1, (09)	152,403
Less: Prior Claim Payment Received (15) \$ -			(33) EFCW-1, (10)	20,388
Net Claimed Amount (16) \$ 309,959			(34)	
Due from State (08) \$ 309,959			(35)	
Due to State (18)			(36)	
(37) CERTIFICATION OF CLAIM				
<p>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.</p> <p>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.</p> <p>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.</p>				
Signature of Authorized Officer (USE BLUE INK)			Date	
			6-25-07	
Irma Ramos			Administrative Dean, Human Resources	
Type or Print Name			Title	
(38) Name of Contact Person for Claim				
SixTen and Associates			Telephone Number: (858) 514-8605	
			E-mail Address: kbpsixten@aol.com	

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY						FORM EFCW-1
(01) Claimant Long Beach Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2004-2005	
(03) Leave Blank							
Direct Costs		Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)							
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
b. Staff training (One time per employee)	\$ 75.20	\$ -	\$ -	\$ -	\$ -	\$ 75.20	
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)							
a. Calculating and collecting enrollment fees	\$ 256,384.31	\$ -	\$ 150,837.50	\$ -	\$ -	\$ 407,221.81	
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)							
a. Preparing district policies & procedures for § IV.B.	\$ 44.73	\$ -	\$ -	\$ -	\$ -	\$ 44.73	
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)							
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
b. Waiving student fees	\$ 18,241.16	\$ -	\$ -	\$ -	\$ -	\$ 18,241.16	
c. Reporting BOG fee waiver data to CCC	\$ 2,102.31	\$ -	\$ -	\$ -	\$ -	\$ 2,102.31	
(05) Total Direct Costs	\$ 276,847.71	\$ -	\$ 150,837.50	\$ -	\$ -	\$ 427,685.21	
Indirect Costs							
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					32.33%	
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 89,504.86	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 517,190.07	
Cost Reduction							
(09) Less: Enrollment Fee Revenue offset						\$ 152,403.00	
(10) Less: Enrollment Fee Waiver offsets						\$ 20,388.20	
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]					\$ 344,398.87	

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC34050	Reimbursement Claim Data	
(02) Claimant Name: Los Rios Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	31,374
County of Location: Sacramento	(23) EFCW-1, (04)(A)(1)(b)(f)	260
Street Address or P.O. Box: 1919 Spanos Court	(24) EFCW-1, (04)(A)(2)(a)(f)	913,678
City: Sacramento State: CA Zip Code: 95825	(25) EFCW-1, (04)(B)(1)(a)(f)	7,490

Type of Claim	Estimated Claim	Reimbursement Claim			
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)		4,783
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)		91,790
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)		428,481
			(29) EFCW-1, (04)(B)(2)(c)(f)		37,878
Fiscal Year of cost	(06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06)		32
Total Claimed Amount	(07) \$ 1,205,200	(13) \$ 1,095,641	(31) EFCW-1, (07)		484,429
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)		334,101
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)		570,422
Net Claimed Amount		(16) \$ 1,095,641	(34)		
Due from State	(08) \$ 1,205,200	(17) \$ 1,095,641	(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 7/25/06 _____ Deputy Chancellor Title
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(38) Name of Contact Person for Claim SixTen and Associates	Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com
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Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 31,374.48	\$ -	\$ -	\$ -	\$ -	\$ 31,374.48
b. Staff training (One time per employee)	\$ 260.26	\$ -	\$ -	\$ -	\$ -	\$ 260.26

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 913,678.45	\$ -	\$ -	\$ -	\$ -	\$ 913,678.45

B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 7,489.79	\$ -	\$ -	\$ -	\$ -	\$ 7,489.79
b. Staff training (One time per employee)	\$ 4,782.70	\$ -	\$ -	\$ -	\$ -	\$ 4,782.70

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 91,790.37	\$ -	\$ -	\$ -	\$ -	\$ 91,790.37
b. Waiving student fees	\$ 428,481.41	\$ -	\$ -	\$ -	\$ -	\$ 428,481.41
c. Reporting BOG fee waiver data to CCC	\$ 37,877.62	\$ -	\$ -	\$ -	\$ -	\$ 37,877.62
(05) Total Direct Costs	\$ 1,515,735.08	\$ -	\$ -	\$ -	\$ -	\$ 1,515,735.08

Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					31.96%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 484,428.93
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 2,000,164.01

Cost Reduction						
(09) Less: Enrollment Fee Revenue offset						\$ 334,101.00
(10) Less: Enrollment Fee Waiver offsets						\$ 570,421.89
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]					\$ 1,095,641.12

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed <u> </u> / <u> </u> / <u> </u> (21) LRS Input <u> </u> / <u> </u> / <u> </u>	Program 267
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(01) Claimant Identification Number: CC33075	Reimbursement Claim Data	
(02) Claimant Name Mt. San Jacinto Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	19,655
County of Location Riverside	(23) EFCW-1, (04)(A)(1)(b)(f)	21,038
Street Address or P.O. Box 1499 North State Street	(24) EFCW-1, (04)(A)(2)(a)(f)	96,259
City State Zip Code San Jacinto CA 92583	(25) EFCW-1, (04)(B)(1)(a)(f)	21,159

Type of Claim	Estimated Claim	Reimbursement Claim		
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	7,997
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	39,451
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	52,687
			(29) EFCW-1, (04)(B)(2)(c)(f)	19,446
Fiscal Year of cost	(06)	(12) 2004-2005	(30) EFCW-1, (06)	37
Total Claimed Amount	(07)	(13) \$ 165,936	(31) EFCW-1, (07)	77,345
Less: 10% Late Penalty		(14) \$ 16,594	(32) EFCW-1, (09)	48,536
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	140,567
Net Claimed Amount		(16) \$ 149,342	(34)	
Due from State	(08)	(17) \$ 149,342	(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) _____ Becky Elam Type or Print Name	Date 7/16/07 _____ Vice President of Business Title
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(38) Name of Contact Person for Claim SixTen and Associates	Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com
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Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Mt. San Jacinto 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 19,655.40	\$ -	\$ -	\$ -	\$ -	\$ 19,655.40
b. Staff training (One time per employee)	\$ 17,882.20	\$ -	\$ -	\$ -	\$ 3,156.00	\$ 21,038.20

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 46,255.00	\$ 10,853.07	\$ -	\$ 39,151.00	\$ -	\$ 96,259.07
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 21,159.33	\$ -	\$ -	\$ -	\$ -	\$ 21,159.33
b. Staff training (One time per employee)	\$ 5,893.48	\$ -	\$ -	\$ -	\$ 2,104.00	\$ 7,997.48

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 39,451.00	\$ -	\$ -	\$ -	\$ -	\$ 39,451.00
b. Waiving student fees	\$ 39,637.40	\$ -	\$ -	\$ 13,050.00	\$ -	\$ 52,687.40
c. Reporting BOG fee waiver data to CCC	\$ 19,445.84	\$ -	\$ -	\$ -	\$ -	\$ 19,445.84

(05) Total Direct Costs	\$ 209,379.65	\$ 10,853.07	\$ -	\$ 52,201.00	\$ 5,260.00	\$ 277,693.72
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Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	36.94%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 77,344.84
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 355,038.56

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 48,536.00
(10) Less: Enrollment Fee Waiver offsets	\$ 140,567.00
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))] \$ 165,935.56

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed <u> </u> / <u> </u> / <u> </u> (21) LRS Input <u> </u> / <u> </u> / <u> </u>	Program 267
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(01) Claimant Identification Number: CC30105 (02) Claimant Name: North Orange County Community College District (03) County of Location: Orange (04) Street Address or P.O. Box: 1830 W. Romneya Drive (05) City: Anaheim State: CA Zip Code: 92801-1819	Reimbursement Claim Data
Type of Claim Estimated Claim Reimbursement Claim	(22) EFCW-1, (04)(A)(1)(a)(f) 57 (23) EFCW-1, (04)(A)(1)(b)(f) 3,186 (24) EFCW-1, (04)(A)(2)(a)(f) 685,308 (25) EFCW-1, (04)(B)(1)(a)(f)
(03) Estimated <input checked="" type="checkbox"/> (09) Reimbursement <input checked="" type="checkbox"/> (04) Combined <input type="checkbox"/> (10) Combined <input type="checkbox"/> (05) Amended <input type="checkbox"/> (11) Amended <input type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f) 333 (27) EFCW-1, (04)(B)(2)(a)(f) (28) EFCW-1, (04)(B)(2)(b)(f) 331,117 (29) EFCW-1, (04)(B)(2)(c)(f) 2,997
Fiscal Year of cost: (06) <u>2005-2006</u> (12) <u>2004-2005</u>	(30) EFCW-1, (06) 39
Total Claimed Amount: (07) \$ <u>1,068,800</u> (13) \$ <u>971,676</u>	(31) EFCW-1, (07) 398,969
Less: 10% Late Penalty (14) \$ <u> </u>	(32) EFCW-1, (09) 115,845
Less: Prior Claim Payment Received (15) \$ <u> </u>	(33) EFCW-1, (10) 334,447
Net Claimed Amount (16) \$ <u>971,676</u>	(34)
Due from State: (08) \$ <u>1,068,800</u> (17) \$ <u>971,676</u>	(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)

Claudette E. Dain

Claudette Dain

Type or Print Name

Date

7/27/06

District Director, Fiscal Affairs

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant North Orange County 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 56.90	\$ -	\$ -	\$ -	\$ -	\$ 56.90
b. Staff training (One time per employee)	\$ 3,186.40	\$ -	\$ -	\$ -	\$ -	\$ 3,186.40

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 685,308.35	\$ -	\$ -	\$ -	\$ -	\$ 685,308.35
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 332.96	\$ -	\$ -	\$ -	\$ -	\$ 332.96

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 331,116.92	\$ -	\$ -	\$ -	\$ -	\$ 331,116.92
c. Reporting BOG fee waiver data to CCC	\$ 2,996.64	\$ -	\$ -	\$ -	\$ -	\$ 2,996.64

05) Total Direct Costs	\$ 1,022,998.17	\$ -	\$ -	\$ -	\$ -	\$ 1,022,998.17
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Indirect Costs

06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	39.00%
07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 398,969.29
08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,421,967.46

Cost Reduction

09) Less: Enrollment Fee Revenue offset	\$ 115,845.00
10) Less: Enrollment Fee Waiver offsets	\$ 334,446.52
11) Total Claimed Amount	\$ 971,675.94

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CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> </u> / <u> </u> / <u> </u>	
	(21) LRS Input <u> </u> / <u> </u> / <u> </u>	

L A B E L H E R E	(01) Claimant Identification Number: CC 37140	Reimbursement Claim Data	
	(02) Claimant Name: Palomar Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	1,605
	County of Location: San Diego	(23) EFCW-1, (04)(A)(1)(b)(f)	191
	Street Address or P.O. Box: 1140 West Mission Road	(24) EFCW-1, (04)(A)(2)(a)(f)	515,930
	City: San Marcos State: CA Zip Code: 92069-1487	(25) EFCW-1, (04)(B)(1)(a)(f)	1,065
	Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f) 891
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 91,403
			(29) EFCW-1, (04)(B)(2)(c)(f) 421
	Fiscal Year of cost: (06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06) 28
	Total Claimed Amount: (07) \$ 712,800	(13) \$ 648,022	(31) EFCW-1, (07) 168,592
	Less: 10% Late Penalty	(14) \$ -	(32) EFCW-1, (09) 38,296
	Less: Prior Claim Payment Received	(15) \$ -	(33) EFCW-1, (10) 93,780
	Net Claimed Amount	(16) \$ 648,022	(34)
	Due from State: (08) \$ 712,800	(17) \$ 648,022	(35)
	Due to State	(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

Anita Weems 6/27/06

Anita Weems Director of Fiscal Services

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant Palomar 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 1,605.10	\$ -	\$ -	\$ -	\$ -	\$ 1,605.10
b. Staff training (One time per employee)	\$ 190.55	\$ -	\$ -	\$ -	\$ -	\$ 190.55

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 515,929.91	\$ -	\$ -	\$ -	\$ -	\$ 515,929.91
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 1,064.75	\$ -	\$ -	\$ -	\$ -	\$ 1,064.75
b. Staff training (One time per employee)	\$ 891.46	\$ -	\$ -	\$ -	\$ -	\$ 891.46

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 91,402.78	\$ -	\$ -	\$ -	\$ -	\$ 91,402.78
c. Reporting BOG fee waiver data to CCC	\$ 421.36	\$ -	\$ -	\$ -	\$ -	\$ 421.36

(05) Total Direct Costs	\$ 611,505.91	\$ -	\$ -	\$ -	\$ -	\$ 611,505.91
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Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	27.57%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 168,592.18
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 780,098.09

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 38,296.00	
(10) Less: Enrollment Fee Waiver offsets	\$ 93,780.35	
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 648,021.74

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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LABEL HERE

(01) Claimant Identification Number: CC 19335			Reimbursement Claim Data	
(02) Claimant Name: Pasadena Area Community College District			(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: Los Angeles			(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 1570 E. Colorado Blvd			(24) EFCW-1, (04)(A)(2)(a)(f)	106,286
City: Pasadena	State: CA	Zip Code: 91106-2003	(25) EFCW-1, (04)(B)(1)(a)(f)	9,411
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	298
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	25,328
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	166,608
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	
Fiscal Year of cost	(06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06)	33
Total Claimed Amount	(07) \$ 78,000	(13) \$ 70,965	(31) EFCW-1, (07)	101,001
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	136,323
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	201,645
Net Claimed Amount		(16) \$ 70,965	(34)	
Due from State	(08) \$ 78,000	(17) \$ 70,965	(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)  _____ James Albanese Type or Print Name	Date 7-27-06 _____ Interim Vice President, Administrative Services Title
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(38) Name of Contact Person for Claim SixTen and Associates	Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com
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Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY					FORM EFCW-1
(01) Claimant: Pasadena Area Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2004-2005	
(03) Leave Blank						
Direct Costs		Object Accounts				
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 106,286.34	\$ -	\$ -	\$ -	\$ -	\$ 106,286.34
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 9,411.00	\$ -	\$ -	\$ -	\$ -	\$ 9,411.00
b. Staff training (One time per employee)	\$ 298.02	\$ -	\$ -	\$ -	\$ -	\$ 298.02
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 25,327.50	\$ -	\$ -	\$ -	\$ -	\$ 25,327.50
b. Waiving student fees	\$ 166,608.34	\$ -	\$ -	\$ -	\$ -	\$ 166,608.34
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(05) Total Direct Costs	\$ 307,931.20	\$ -	\$ -	\$ -	\$ -	\$ 307,931.20
Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					32.80%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 101,001.43
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 408,932.63
Cost Reduction						
(09) Less: Enrollment Fee Revenue offset						\$ 136,323.00
(10) Less: Enrollment Fee Waiver offsets						\$ 201,644.86
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]					\$ 70,964.77

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC12145 (02) Claimant Name: Redwoods Community College District County of Location: Humbolt Street Address or P.O. Box: 7351 Tompkins Hill Road City: Eureka State: CA Zip Code: 95501
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Reimbursement Claim Data	
(22) EFCW-1, (04)(A)(1)(a)(f)	
(23) EFCW-1, (04)(A)(1)(b)(f)	
(24) EFCW-1, (04)(A)(2)(a)(f)	34,038
(25) EFCW-1, (04)(B)(1)(a)(f)	96
(26) EFCW-1, (04)(B)(1)(b)(f)	907
(27) EFCW-1, (04)(B)(2)(a)(f)	96
(28) EFCW-1, (04)(B)(2)(b)(f)	32,688
(29) EFCW-1, (04)(B)(2)(c)(f)	2,098
(30) EFCW-1, (06)	38
(31) EFCW-1, (07)	26,501
(32) EFCW-1, (09)	37,808
(33) EFCW-1, (10)	35,885
(34)	
(35)	
(36)	

Type of Claim	Estimated Claim	Reimbursement Claim
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	
Fiscal Year of cost	(06) 2005-2006	(12) 2004-2005
Total Claimed Amount	(07) \$ 25,000	(13) \$ 22,730
Less : 10% Late Penalty		(14) \$ -
Less : Prior Claim Payment Received		(15) \$ -
Net Claimed Amount		(16) \$ 22,730
Due from State	(08) \$ 25,000	(17) \$ 22,730
Due to State		(18)

(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.

BUSINESS

Signature of Authorized Officer (USE BLUE INK)

Date JUL 19 2006

SERVICES

Scott Thomason
 Type or Print Name

Vice President, Chief Business Officer
 Title

(38) Name of Contact Person for Claim

SixTen and Associates

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY						FORM EFCW-1
(01) Claimant: Redwoods Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2004-2005	
(03) Leave Blank							
Direct Costs		Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)							
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)							
a. Calculating and collecting enrollment fees	\$ 34,037.64	\$ -	\$ -	\$ -	\$ -	\$ 34,037.64	
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)							
a. Preparing district policies & procedures for § IV.B.	\$ 95.94	\$ -	\$ -	\$ -	\$ -	\$ 95.94	
b. Staff training (One time per employee)	\$ 907.26	\$ -	\$ -	\$ -	\$ -	\$ 907.26	
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)							
a. Adopting procedures, recording, and maintaining records	\$ 95.94	\$ -	\$ -	\$ -	\$ -	\$ 95.94	
b. Waiving student fees	\$ 32,687.98	\$ -	\$ -	\$ -	\$ -	\$ 32,687.98	
c. Reporting BOG fee waiver data to CCC	\$ 2,098.23	\$ -	\$ -	\$ -	\$ -	\$ 2,098.23	
(05) Total Direct Costs	\$ 69,922.99	\$ -	\$ -	\$ -	\$ -	\$ 69,922.99	
Indirect Costs							
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					37.90%	
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 26,500.81	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 96,423.80	
Cost Reduction							
(09) Less: Enrollment Fee Revenue offset						\$ 37,808.00	
(10) Less: Enrollment Fee Waiver offsets						\$ 35,885.35	
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]					\$ 22,730.45	

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed ___/___/___	
	(21) LRS Input ___/___/___	

L A B E L H E R E	(01) Claimant Identification Number: CC 36150		Reimbursement Claim Data				
	(02) Claimant Name San Bernardino Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	1,911			
	(03) County of Location San Bernardino		(23) EFCW-1, (04)(A)(1)(b)(f)	1,711			
	(04) Street Address or P.O. Box 114 S Del Rosa Drive		(24) EFCW-1, (04)(A)(2)(a)(f)	581,686			
	(05) City	(06) State	(07) Zip Code	(25) EFCW-1, (04)(B)(1)(a)(f)	149		
	San Bernardino	CA	92408				
	Type of Claim		Estimated Claim		Reimbursement Claim		
		(03) Estimated	<input checked="" type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	1,213
		(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
		(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	44,852
					(29) EFCW-1, (04)(B)(2)(c)(f)	282	
(08) Fiscal Year of cost		(09) 2005-2006	(10) 2004-2005	(30) EFCW-1, (06)	46		
(11) Total Claimed Amount		(12) \$ 843,100	(13) \$ 766,458	(31) EFCW-1, (07)	288,229		
(14) Less : 10% Late Penalty		(15) \$	(16) \$ -	(32) EFCW-1, (09)	107,079		
(17) Less : Prior Claim Payment Received		(18) \$	(19) \$ -	(33) EFCW-1, (10)	46,497		
(20) Net Claimed Amount		(21) \$	(22) \$ 766,458	(34)			
(23) Due from State	(24) (08) \$	(25) 843,100	(26) (17) \$	(27) (35) 766,458			
(28) Due to State	(29) (09)		(30) (18)	(31) (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)



Robert Temple

Type or Print Name

(38) Name of Contact Person for Claim

SixTen and Associates

Date

7/10/06

Vice Chancellor, Fiscal Services

Title

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: San Bernardino 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 1,910.55	\$ -	\$ -	\$ -	\$ -	\$ 1,910.55
b. Staff training (One time per employee)	\$ 1,710.70	\$ -	\$ -	\$ -	\$ -	\$ 1,710.70

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 581,686.40	\$ -	\$ -	\$ -	\$ -	\$ 581,686.40
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 149.43	\$ -	\$ -	\$ -	\$ -	\$ 149.43
b. Staff training (One time per employee)	\$ 1,212.90	\$ -	\$ -	\$ -	\$ -	\$ 1,212.90

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 44,852.05	\$ -	\$ -	\$ -	\$ -	\$ 44,852.05
c. Reporting BOG fee waiver data to CCC	\$ 282.40	\$ -	\$ -	\$ -	\$ -	\$ 282.40

(05) Total Direct Costs	\$ 631,804.43	\$ -	\$ -	\$ -	\$ -	\$ 631,804.43
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Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	45.62%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 288,229.18
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 920,033.61

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 107,079.00
(10) Less: Enrollment Fee Waiver offsets	\$ 46,496.78
(11) Total Claimed Amount	\$ 766,457.83

ew 04/06 [Line (08) - (Line (09) + Line (10))]

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed <u> </u> / <u> </u> / <u> </u> (21) LRS Input <u> </u> / <u> </u> / <u> </u>	Program 267
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LABORER'S FEE	(01) Claimant Identification Number: CC41100		Reimbursement Claim Data		
	(02) Claimant Name: San Mateo County Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	2,676	
	(03) County of Location: San Mateo		(23) EFCW-1, (04)(A)(1)(b)(f)	9,908	
	(04) Street Address or P.O. Box: 3401 CSM Drive		(24) EFCW-1, (04)(A)(2)(a)(f)	692,505	
	(05) City: San Mateo	(06) State: CA	(25) EFCW-1, (04)(B)(1)(a)(f)	1,404	
	(07) Zip Code: 94402		(26) EFCW-1, (04)(B)(1)(b)(f)	3,790	
	Type of Claim	Estimated Claim	Reimbursement Claim	(27) EFCW-1, (04)(B)(2)(a)(f)	118,577
		(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	173,752
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	4,475
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>		
(08) Fiscal Year of cost: 2005-2006		(12) 2004-2005	(30) EFCW-1, (06)	30	
(09) Total Claimed Amount: \$ 1,107,400		(13) \$ 1,006,747	(31) EFCW-1, (07)	291,924	
Less : 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	75,866	
Less : Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	216,397	
Net Claimed Amount		(16) \$ 1,006,747	(34)		
(17) Due from State: \$ 1,107,400	(18) \$ 1,006,747	(35)			
Due to State		(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)

Kathy Blackwood

Kathy Blackwood

Type or Print Name

Date

7/19/06

Chief Financial Officer

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY						FORM EFCW-1
(01) Claimant San Mateo County Community College District				(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2004-2005	
(03) Leave Blank							
Direct Costs		Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)							
a. Preparing district policies & procedures for § IV.A.	\$ 2,676.29	\$ -	\$ -	\$ -	\$ -	\$ 2,676.29	
b. Staff training (One time per employee)	\$ 9,907.69	\$ -	\$ -	\$ -	\$ -	\$ 9,907.69	
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)							
a. Calculating and collecting enrollment fees	\$ 692,504.74	\$ -	\$ -	\$ -	\$ -	\$ 692,504.74	
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)							
a. Preparing district policies & procedures for § IV.B.	\$ 1,404.23	\$ -	\$ -	\$ -	\$ -	\$ 1,404.23	
b. Staff training (One time per employee)	\$ 3,789.54	\$ -	\$ -	\$ -	\$ -	\$ 3,789.54	
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)							
a. Adopting procedures, recording, and maintaining records	\$ 118,576.66	\$ -	\$ -	\$ -	\$ -	\$ 118,576.66	
b. Waiving student fees	\$ 139,745.53	\$ -	\$ 34,006.34	\$ -	\$ -	\$ 173,751.87	
c. Reporting BOG fee waiver data to CCC	\$ 4,474.96	\$ -	\$ -	\$ -	\$ -	\$ 4,474.96	
(05) Total Direct Costs	\$ 973,079.64	\$ -	\$ 34,006.34	\$ -	\$ -	\$ 1,007,085.98	
Indirect Costs							
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					30.00%	
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 291,923.89	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 1,299,009.87	
Cost Reduction							
(09) Less: Enrollment Fee Revenue offset						\$ 75,866.00	
(10) Less: Enrollment Fee Waiver offsets						\$ 216,397.00	
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]					\$ 1,006,746.87	

CLAIM FOR PAYMENT
 Pursuant to Government Code Section 17561
ENROLLMENT FEE COLLECTION AND WAIVERS

For Controller Use Only
 (19) Program Number 00267
 (20) Date Filed ___/___/___
 (21) LRS Input ___/___/___

Program
267

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(01) Claimant Identification Number: **CC19385**

(02) Claimant Name: **Santa Monica Community College District**

County of Location: **Los Angeles**

Street Address or P.O. Box: **1900 Pico Blvd**

City: **Santa Monica** State: **CA** Zip Code: **90405-1628**

Reimbursement Claim Data	
(22) EFCW-1, (04)(A)(1)(a)(f)	53,449
(23) EFCW-1, (04)(A)(1)(b)(f)	2,402
(24) EFCW-1, (04)(A)(2)(a)(f)	783,134
(25) EFCW-1, (04)(B)(1)(a)(f)	28,028
(26) EFCW-1, (04)(B)(1)(b)(f)	7,367
(27) EFCW-1, (04)(B)(2)(a)(f)	61,890
(28) EFCW-1, (04)(B)(2)(b)(f)	184,373
(29) EFCW-1, (04)(B)(2)(c)(f)	3,140
(30) EFCW-1, (06)	37
(31) EFCW-1, (07)	414,788
(32) EFCW-1, (09)	74,711
(33) EFCW-1, (10)	249,227
(34)	
(35)	
(36)	

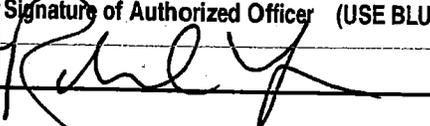
Type of Claim	Estimated Claim	Reimbursement Claim
(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	
(06)	(12) 2004-2005	
(07)	(13) \$ 1,214,632	
	(14) \$ 121,463	
	(15) \$ -	
	(16) \$ 1,093,168	
(08)	(17) \$ 1,093,168	
	(18)	

(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)

 Randall Lawson
 Type or Print Name

Date: 6-15-07
 Vice President, Administrative Services
 Title

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Santa Monica 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 53,449.24	\$ -	\$ -	\$ -	\$ -	\$ 53,449.24
b. Staff training (One time per employee)	\$ 2,401.59	\$ -	\$ -	\$ -	\$ -	\$ 2,401.59

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 783,133.52	\$ -	\$ -	\$ -	\$ -	\$ 783,133.52
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 28,027.96	\$ -	\$ -	\$ -	\$ -	\$ 28,027.96
b. Staff training (One time per employee)	\$ 7,366.62	\$ -	\$ -	\$ -	\$ -	\$ 7,366.62

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 61,889.99	\$ -	\$ -	\$ -	\$ -	\$ 61,889.99
b. Waiving student fees	\$ 184,372.59	\$ -	\$ -	\$ -	\$ -	\$ 184,372.59
c. Reporting BOG fee waiver data to CCC	\$ 3,140.29	\$ -	\$ -	\$ -	\$ -	\$ 3,140.29

(05) Total Direct Costs	\$ 1,123,781.80	\$ -	\$ -	\$ -	\$ -	\$ 1,123,781.80
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Indirect Costs

(06) Indirect Cost Rate	-[From OMB A-21, FAM-29C, or 7%]	36.91%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 414,787.86
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,538,569.66

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 74,711.00
(10) Less: Enrollment Fee Waiver offsets	\$ 249,227.00
(11) Total Claimed Amount	\$ 1,214,631.66

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CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC 31090 (02) Claimant Name: Sierra Joint Community College District County of Location: Placer Street Address or P.O. Box: 5000 Rocklin Road City: Rocklin State: CA Zip Code: 95677	Reimbursement Claim Data																				
	(22) EFCW-1, (04)(A)(1)(a)(f) 4,480																				
	(23) EFCW-1, (04)(A)(1)(b)(f)																				
	(24) EFCW-1, (04)(A)(2)(a)(f) 182,193																				
	(25) EFCW-1, (04)(B)(1)(a)(f) 215																				
	(26) EFCW-1, (04)(B)(1)(b)(f) 431																				
	(27) EFCW-1, (04)(B)(2)(a)(f) 757																				
	(28) EFCW-1, (04)(B)(2)(b)(f) 67,411																				
	(29) EFCW-1, (04)(B)(2)(c)(f) 1,795																				
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:20%;">Type of Claim</th> <th style="width:20%;">Estimated Claim</th> <th style="width:20%;">Reimbursement Claim</th> <th style="width:40%;"></th> </tr> <tr> <td>(03) Estimated <input checked="" type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> <td>(26) EFCW-1, (04)(B)(1)(b)(f)</td> <td style="text-align: right;">431</td> </tr> <tr> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td>(27) EFCW-1, (04)(B)(2)(a)(f)</td> <td style="text-align: right;">757</td> </tr> <tr> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> <td>(28) EFCW-1, (04)(B)(2)(b)(f)</td> <td style="text-align: right;">67,411</td> </tr> <tr> <td></td> <td></td> <td>(29) EFCW-1, (04)(B)(2)(c)(f)</td> <td style="text-align: right;">1,795</td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim		(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	431	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	757	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	67,411			(29) EFCW-1, (04)(B)(2)(c)(f)	1,795	
Type of Claim	Estimated Claim	Reimbursement Claim																			
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	431																		
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	757																		
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	67,411																		
		(29) EFCW-1, (04)(B)(2)(c)(f)	1,795																		
Fiscal Year of cost: (06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06)	41																		
Total Claimed Amount: (07) \$ 259,700	(13) \$ 236,153	(31) EFCW-1, (07)	105,228																		
Less: 10% Late Penalty	(14) \$	(32) EFCW-1, (09)	55,748																		
Less: Prior Claim Payment Received	(15) \$	(33) EFCW-1, (10)	70,609																		
Net Claimed Amount	(16) \$ 236,153	(34)																			
Due from State: (08) \$ 259,700	(17) \$ 236,153	(35)																			
Due to State	(18)	(36)																			

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)

Date

Joyce Lopes

7/6/16

Joyce Lopes

Director of Finance

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant Sierra Joint Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2004-2005
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 4,480.00	\$ -	\$ -	\$ -	\$ -	\$ 4,480.00
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 182,193.18	\$ -	\$ -	\$ -	\$ -	\$ 182,193.18
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 214.91	\$ -	\$ -	\$ -	\$ -	\$ 214.91
b. Staff training (One time per employee)	\$ 430.60	\$ -	\$ -	\$ -	\$ -	\$ 430.60
3. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 756.86	\$ -	\$ -	\$ -	\$ -	\$ 756.86
b. Waiving student fees	\$ 67,411.48	\$ -	\$ -	\$ -	\$ -	\$ 67,411.48
c. Reporting BOG fee waiver data to CCC	\$ 1,794.65	\$ -	\$ -	\$ -	\$ -	\$ 1,794.65
(05) Total Direct Costs	\$ 257,281.68	\$ -	\$ -	\$ -	\$ -	\$ 257,281.68

Indirect Costs		
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	40.90%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 105,228.21
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 362,509.89
Cost Reduction		
(09) Less: Enrollment Fee Revenue offset		\$ 55,748.00
(10) Less: Enrollment Fee Waiver Offsets		\$ 70,608.50
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 236,153.39

CLAIM FOR PAYMENT
Pursuant to Government Code Section 17561
ENROLLMENT FEE COLLECTION AND WAIVERS

For State Controller Use Only:
(19) Program Number 00267
(20) Date Filed ___/___/___
(21) LRS Input ___/___/___

Program
267

(01) Claimant Identification Number: CC10225		Reimbursement Claim Data	
(02) Claimant Name: State Center Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: Fresno		(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 1525 East Weldon Avenue		(24) EFCW-1, (04)(A)(2)(a)(f)	470,326
City: Fresno	State: CA	Zip Code: 93704-6398	(25) EFCW-1, (04)(B)(1)(a)(f) 155
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f) 155
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 492,242
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f) 3,099
Fiscal Year of cost	(06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06) 37
Total Claimed Amount	(07) \$ 674,200	(13) \$ 612,977	(31) EFCW-1, (07) 352,582
Less : 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09) 209,931
Less : Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10) 495,651
Net Claimed Amount		(16) \$ 612,977	(34)
Due from State	(08) \$ 674,200	(17) \$ 612,977	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)

Date

Douglas R. Brinkley

Vice Chancellor, Finance & Administration

Type or Print Name

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY					FORM EFCW-1
(01) Claimant State Center Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2004-2005
(03) Leave Blank						
Direct Costs		Object Accounts				
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a.	Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -
b.	Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a.	Calculating and collecting enrollment fees	\$ 470,326.45	\$ -	\$ -	\$ -	\$ 470,326.45
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a.	Preparing district policies & procedures for § IV.B.	\$ 154.94	\$ -	\$ -	\$ -	\$ 154.94
b.	Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a.	Adopting procedures, recording, and maintaining records	\$ 154.94	\$ -	\$ -	\$ -	\$ 154.94
b.	Waiving student fees	\$ 492,242.49	\$ -	\$ -	\$ -	\$ 492,242.49
c.	Reporting BOG fee waiver data to CCC	\$ 3,098.80	\$ -	\$ -	\$ -	\$ 3,098.80
(05) Total Direct Costs		\$ 965,977.62	\$ -	\$ -	\$ -	\$ 965,977.62
Indirect Costs						
(06) Indirect Cost Rate					[From OMB A-21, FAM-29C, or 7%]	36.50%
(07) Total Indirect Costs					[Line (06) x line (05)(a)]	\$ 352,581.83
(08) Total Direct and Indirect Costs					[Line (05)(f) + line (07)]	\$ 1,318,559.45
Cost Reduction						
(9) Less: Enrollment Fee Revenue offset						\$ 209,931.00
(10) Less: Enrollment Fee Waiver offsets						\$ 495,651.17
(11) Total Claimed Amount					[Line (08) - {Line (09) + Line (10)}]	\$ 612,977.28

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC15255	Reimbursement Claim Data
(02) Claimant Name: West Kern Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)
(03) County of Location: Kern	(23) EFCW-1, (04)(A)(1)(b)(f)
(04) Street Address or P.O. Box: 29 Emmons Park Drive	(24) EFCW-1, (04)(A)(2)(a)(f) 43,127
(05) City: Taft State: CA Zip Code: 93268	(25) EFCW-1, (04)(B)(1)(a)(f) 22

Type of Claim	Estimated Claim	Reimbursement Claim	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f) 1,085
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 35,132
			(29) EFCW-1, (04)(B)(2)(c)(f) 2,359
Fiscal Year of cost	(06)	(12) 2004-2005	(30) EFCW-1, (06) 38
Total Claimed Amount	(07)	(13) \$ 70,205	(31) EFCW-1, (07) 31,317
Less: 10% Late Penalty		(14) \$ 7,020	(32) EFCW-1, (09) 11,448
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10) 31,389
Net Claimed Amount		(16) \$ 63,184	(34)
Due from State	(08)	(17) \$ 63,184	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date
7/20/07

William H. Duncan IV Executive Vice President
 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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: West Kern 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 43,126.96	\$ -	\$ -	\$ -	\$ -	\$ 43,126.96
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3. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 21.76	\$ -	\$ -	\$ -	\$ -	\$ 21.76
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

3. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 1,085.48	\$ -	\$ -	\$ -	\$ -	\$ 1,085.48
b. Waiving student fees	\$ 35,131.80	\$ -	\$ -	\$ -	\$ -	\$ 35,131.80
c. Reporting BOG fee waiver data to CCC	\$ 2,358.76	\$ -	\$ -	\$ -	\$ -	\$ 2,358.76
05) Total Direct Costs	\$ 81,724.76	\$ -	\$ -	\$ -	\$ -	\$ 81,724.76

Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]				38.32%	
(07) Total Indirect Costs	[Line (06) x line (05)(a)]				\$ 31,316.93	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]				\$ 113,041.69	

Cost Reduction						
(09) Less: Enrollment Fee Revenue offset					\$ 11,448.00	
(10) Less: Enrollment Fee Waiver offsets					\$ 31,389.00	
(1) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]				\$ 70,204.69	

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC43180 (02) Claimant Name: West Valley-Mission Community College District (03) County of Location: Santa Clara (04) Street Address or P.O. Box: 14000 Fruitvale Avenue (05) City: Saratoga State: CA Zip Code: 95070-5698	Reimbursement Claim Data (22) EFCW-1, (04)(A)(1)(a)(f) 842 (23) EFCW-1, (04)(A)(1)(b)(f) 57,426 (24) EFCW-1, (04)(A)(2)(a)(f) 701,115 (25) EFCW-1, (04)(B)(1)(a)(f) 583 (26) EFCW-1, (04)(B)(1)(b)(f) 7,260 (27) EFCW-1, (04)(B)(2)(a)(f) 5,514 (28) EFCW-1, (04)(B)(2)(b)(f) 228,975 (29) EFCW-1, (04)(B)(2)(c)(f) 34,353 (30) EFCW-1, (06) 36 (31) EFCW-1, (07) 370,912 (32) EFCW-1, (09) 37,881 (33) EFCW-1, (10) 117,774 (34) (35) (36) 																
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width: 20%;">Type of Claim</th> <th style="width: 20%;">Estimated Claim</th> <th style="width: 20%;">Reimbursement Claim</th> <th style="width: 40%;"></th> </tr> <tr> <td>(03) Estimated</td> <td><input type="checkbox"/></td> <td>(09) Reimbursement</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>(04) Combined</td> <td><input type="checkbox"/></td> <td>(10) Combined</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(05) Amended</td> <td><input type="checkbox"/></td> <td>(11) Amended</td> <td><input type="checkbox"/></td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim		(03) Estimated	<input type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>	(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>	(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>	
Type of Claim	Estimated Claim	Reimbursement Claim															
(03) Estimated	<input type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>														
(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>														
(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>														
(06) Fiscal Year of cost: (12) 2004-2005 (07) Total Claimed Amount: (13) \$ 1,251,324 Less: 10% Late Penalty: (14) \$ 125,132 Less: Prior Claim Payment Received: (15) \$ - Net Claimed Amount: (16) \$ 1,126,192 (08) Due from State: (17) \$ 1,126,192 Due to State: (18) \$ -																	

(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

George Kozitza 07-19-07

George Kozitza Interim Vice Chancellor

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: West Valley-Mission 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 842.38	\$ -	\$ -	\$ -	\$ -	\$ 842.38
b. Staff training (One time per employee)	\$ 57,425.71	\$ -	\$ -	\$ -	\$ -	\$ 57,425.71

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 701,114.83	\$ -	\$ -	\$ -	\$ -	\$ 701,114.83
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 582.60	\$ -	\$ -	\$ -	\$ -	\$ 582.60
b. Staff training (One time per employee)	\$ 7,259.75	\$ -	\$ -	\$ -	\$ -	\$ 7,259.75

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 5,514.24	\$ -	\$ -	\$ -	\$ -	\$ 5,514.24
b. Waiving student fees	\$ 228,975.00	\$ -	\$ -	\$ -	\$ -	\$ 228,975.00
c. Reporting BOG fee waiver data to CCC	\$ 34,352.52	\$ -	\$ -	\$ -	\$ -	\$ 34,352.52
(05) Total Direct Costs	\$ 1,036,067.03	\$ -	\$ -	\$ -	\$ -	\$ 1,036,067.03

Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	35.80%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 370,912.00
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,406,979.03

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 37,881.00
(10) Less: Enrollment Fee Waiver offsets	\$ 117,774.00
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))] \$ 1,251,324.03

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC50150 (02) Claimant Name: Yosemite Community College District County of Location: Stanislaus Street Address or P.O. Box: P.O. Box 4065 City: Modesto State: CA Zip Code: 95352	Reimbursement Claim Data (22) EFCW-1, (04)(A)(1)(a)(f) (23) EFCW-1, (04)(A)(1)(b)(f) (24) EFCW-1, (04)(A)(2)(a)(f) 173,412 (25) EFCW-1, (04)(B)(1)(a)(f)
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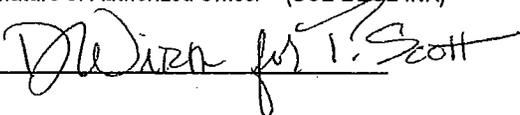
Type of Claim	Estimated Claim	Reimbursement Claim	Code	
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	122,798
			(29) EFCW-1, (04)(B)(2)(c)(f)	
Fiscal Year of cost	(06) 2005-2006	(12) 2004-2005	(30) EFCW-1, (06)	35
Total Claimed Amount	(07) \$ 213,200	(13) \$ 193,838	(31) EFCW-1, (07)	103,318
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	82,891
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	122,798
Net Claimed Amount		(16) \$ 193,838	(34)	
Due from State	(08) \$ 213,200	(17) \$ 193,838	(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)  _____ Teresa Scott Type or Print Name	Date _____ 7/25/06 Vice Chancellor, Fiscal Services Title
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(38) Name of Contact Person for Claim SixTen and Associates	Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com
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Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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Claimant Semite Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2004-2005
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3) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 173,411.52	\$ -	\$ -	\$ -	\$ -	\$ 173,411.52

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 122,797.83	\$ -	\$ -	\$ -	\$ -	\$ 122,797.83
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 296,209.35	\$ -	\$ -	\$ -	\$ -	\$ 296,209.35

Direct Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	34.88%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 103,317.82
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 399,527.17

Net Reduction	
Less: Enrollment Fee Revenue offset	\$ 82,891.00
Less: Enrollment Fee Waiver offsets	\$ 122,797.83
Total Claimed Amount	\$ 193,838.34 [Line (08) - (Line (09) + Line (10))]

CLAIM FOR PAYMENT
Pursuant to Government Code Section 17561
ENROLLMENT FEE COLLECTION AND WAIVERS

For State Controller Use Only

(19) Program Number 00267
(20) Date Filed ___/___/___
(21) LRS Input ___/___/___

Program
267

LABORER	(01) Claimant Identification Number: CC36175		Reimbursement Claim Data		
	(02) Claimant Name: Victor Valley Community College District				
	(03) County of Location: San Bernardino		(22) EFCW-1, (04)(A)(1)(a)(f)		
	(04) Street Address or P.O. Box: 18422 Bear Valley Road		(23) EFCW-1, (04)(A)(1)(b)(f)	1,402	
	(05) City: Victorville	(06) State: CA	(24) EFCW-1, (04)(A)(2)(a)(f)	217,297	
	(07) Zip Code: 92392-5849		(25) EFCW-1, (04)(B)(1)(a)(f)		
	Type of Claim	Estimated Claim		Reimbursement Claim	
		(08) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	2,398
		(10) Combined <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
	(12) Fiscal Year of cost: (06) 2004-2005		(28) EFCW-1, (04)(B)(2)(b)(f)	47,733	
(13) Total Claimed Amount: (07) \$ 268,300		(29) EFCW-1, (04)(B)(2)(c)(f)	2,706		
(14) Less: 10% Late Penalty \$ 26,830		(30) EFCW-1, (06)	46		
(15) Less: Prior Claim Payment Received \$ -		(31) EFCW-1, (07)	123,424		
(16) Net Claimed Amount \$ 241,470		(32) EFCW-1, (09)	73,823		
(17) Due from State \$ 241,470		(33) EFCW-1, (10)	52,838		
(18) Due to State		(34)			
		(35)			
		(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

Bruce Baron

7-2-07

Bruce Baron

Vice President, Administrative Services

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Victor Valley 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) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 1,401.60	\$ -	\$ -	\$ -	\$ -	\$ 1,401.60

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 217,297.47	\$ -	\$ -	\$ -	\$ -	\$ 217,297.47

B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 1,469.18	\$ -	\$ -	\$ -	\$ 929.00	\$ 2,398.18

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 47,733.49	\$ -	\$ -	\$ -	\$ -	\$ 47,733.49
c. Reporting BOG fee waiver data to CCC	\$ 2,706.00	\$ -	\$ -	\$ -	\$ -	\$ 2,706.00
(05) Total Direct Costs	\$ 270,607.74	\$ -	\$ -	\$ -	\$ 929.00	\$ 271,536.74

Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					45.61%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 123,424.19
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 394,960.93

Cost Reduction						
(09) Less: Enrollment Fee Revenue offset						\$ 73,823.00
(10) Less: Enrollment Fee Waiver offsets						\$ 52,837.67
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]					\$ 268,300.26

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> </u> / <u> </u> / <u> </u> (21) LRS Input <u> </u> / <u> </u> / <u> </u>	

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(01) Claimant Identification Number: CC42005		Reimbursement Claim Data	
(02) Claimant Name Allan Hancock Joint Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location Santa Barbara		(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box 800 South College Drive		(24) EFCW-1, (04)(A)(2)(a)(f)	73,369
City Santa Maria	State CA	Zip Code 93454-6399	(25) EFCW-1, (04)(B)(1)(a)(f)
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)
Fiscal Year of cost	(06)	(12) 2005-2006	(30) EFCW-1, (06)
Total Claimed Amount	(07)	(13) \$ 63,450	(31) EFCW-1, (07)
Less : 10% Late Penalty, not to exceed \$10,000		(14) \$ 6,345	(32) EFCW-1, (09)
Less : Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)
Net Claimed Amount		(16) \$ 57,105	(34)
Due from State	(08)	(17) \$ 57,105	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) 	Date 12/14/07
Elizabeth Miller, Ed. D. Type or Print Name	Vice President, Administrative Services Title

(38) Name of Contact Person for Claim

SixTen and Associates

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(1) Claimant: Hancock Joint Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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3) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 73,369.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,369.42
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ 976.95	\$ -	\$ -	\$ -	\$ -	\$ 976.95
b. Waiving student fees	\$ 17,986.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,986.46
c. Reporting BOG fee waiver data to CCC	\$ 346.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346.02
Total Direct Costs	\$ 91,701.90	\$ 976.95	\$ -	\$ -	\$ -	\$ -	\$ 92,678.85

Direct Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	32.71%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 29,995.69
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 122,674.54
Reduction		
Less: Enrollment Fee Revenue offset		\$ 39,915.00
Less: Enrollment Fee Waiver offsets		\$ 19,309.43
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 63,450.11

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC19080	
(02) Claimant Name: Cerritos Community College District	
County of Location: Los Angeles	
Street Address or P.O. Box: 11110 Alondra Boulevard	
City: Norwalk	State: CA
	Zip Code: 90650

Reimbursement Claim Data	
(22) EFCW-1, (04)(A)(1)(a)(f)	
(23) EFCW-1, (04)(A)(1)(b)(f)	
(24) EFCW-1, (04)(A)(2)(a)(f)	395,306
(25) EFCW-1, (04)(B)(1)(a)(f)	
(26) EFCW-1, (04)(B)(1)(b)(f)	
(27) EFCW-1, (04)(B)(2)(a)(f)	
(28) EFCW-1, (04)(B)(2)(b)(f)	142,518
(29) EFCW-1, (04)(B)(2)(c)(f)	
(30) EFCW-1, (06)	31
(31) EFCW-1, (07)	165,005
(32) EFCW-1, (09)	103,707
(33) EFCW-1, (10)	142,518
(34)	
(35)	
(36)	

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>
Fiscal Year of cost	(06) 2005-2006	(12) 2005-2006
Total Claimed Amount	(07) \$ 456,604	(13) \$ 456,604
Less: 10% Late Penalty, not to exceed \$10,000		(14) \$ 10,000
Less: Prior Claim Payment Received		(15) \$ -
Net Claimed Amount		(16) \$ 446,604
Due from State	(08)	(17) \$ 446,604
Due to State		(18)

(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)
Berlanti "Lola" Rizkallah

Date
12/21/07

Berlanti "Lola" Rizkallah
 Type or Print Name

Director of Fiscal Services
 Title

(38) Name of Contact Person for Claim
 SixTen and Associates

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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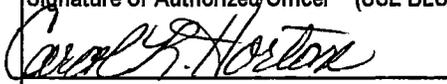
1) Claimant: Morritos Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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3) Leave Blank

Direct Costs	Object Accounts						
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total	
1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)							
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)							
a. Calculating and collecting enrollment fees	\$ 395,306.49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,306.49
1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)							
a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)							
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 142,518.32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,518.32
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 537,824.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 537,824.81

Indirect Costs	
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%] 30.68%
Total Indirect Costs	[Line (06) x line (05)(a)] \$ 165,004.65
Total Direct and Indirect Costs	[Line (05)(f) + line (07)] \$ 702,829.46

Net Reduction	
Less: Enrollment Fee Revenue offset	\$ 103,707.00
Less: Enrollment Fee Waiver offsets	\$ 142,518.32
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}] \$ 456,604.14

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only	Program 267
(01) Claimant Identification Number: CC19090			(19) Program Number 00267	
			(20) Date Filed ___/___/___	
			(21) LRS Input ___/___/___	
			Reimbursement Claim Data	
(02) Claimant Name: Citrus Community College District			(22) EFCW-1, (04)(A)(1)(a)(f)	2,060
County of Location: Los Angeles			(23) EFCW-1, (04)(A)(1)(b)(f)	1,796
Street Address or P.O. Box: 1000 West Foothill Blvd.			(24) EFCW-1, (04)(A)(2)(a)(f)	235,571
City: Glendora	State: CA	Zip Code: 91741-1899	(25) EFCW-1, (04)(B)(1)(a)(f)	92
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	92
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	1,934
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	86,825
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	
Fiscal Year of cost	(06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06)	41
Total Claimed Amount	(07) \$ 360,700	(13) \$ 327,925	(31) EFCW-1, (07)	133,318
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	44,819
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	88,943
Net Claimed Amount		(16) \$ 327,925	(34)	
Due from State	(08) \$ 360,700	(17) \$ 327,925	(35)	
Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM				
<p>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.</p> <p>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.</p> <p>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.</p>				
Signature of Authorized Officer (USE BLUE INK)			Date	
			12-1-06	
Carol R. Horton			V.P. Financial and Administrative Services	
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	

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Citrus Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 2,059.94	\$ -	\$ -	\$ -	\$ -	\$ 2,059.94
b. Staff training (One time per employee)	\$ 1,795.73	\$ -	\$ -	\$ -	\$ -	\$ 1,795.73

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 235,570.52	\$ -	\$ -	\$ -	\$ -	\$ 235,570.52

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 91.96	\$ -	\$ -	\$ -	\$ -	\$ 91.96
b. Staff training (One time per employee)	\$ 91.96	\$ -	\$ -	\$ -	\$ -	\$ 91.96

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 1,933.66	\$ -	\$ -	\$ -	\$ -	\$ 1,933.66
b. Waiving student fees	\$ 86,825.26	\$ -	\$ -	\$ -	\$ -	\$ 86,825.26
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
) Total Direct Costs	\$ 328,369.03	\$ -	\$ -	\$ -	\$ -	\$ 328,369.03

irect Costs						
) Indirect Cost Rate [From OMB A-21, FAM-29C, or 7%]						40.60%
i Total Indirect Costs [Line (06) x line (05)(a)]						\$ 133,317.83
Total Direct and Indirect Costs [Line (05)(f) + line (07)]						\$ 461,686.86

st Reduction						
Less: Enrollment Fee Revenue offset						\$ 44,819.00
Less: Enrollment Fee Waiver offsets						\$ 88,942.84
Total Claimed Amount [Line (08) - {Line (09) + Line (10)}]						\$ 327,925.02

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC 07030	Reimbursement Claim Data
(02) Claimant Name: Contra Costa Community College District	(22) EFCW-1, (04)(A)(1)(a)(f) 2,339
County of Location: Contra Costa	(23) EFCW-1, (04)(A)(1)(b)(f) 867
Street Address or P.O. Box: 500 Court Street	(24) EFCW-1, (04)(A)(2)(a)(f) 861,974
City: Martinez	(25) EFCW-1, (04)(B)(1)(a)(f) 1,313
State: CA	
Zip Code: 94553	

Type of Claim	Estimated Claim	Reimbursement Claim	Reimbursement Claim Data
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f) 2,655
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f) 9,621
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 227,207
			(29) EFCW-1, (04)(B)(2)(c)(f) 2,895
Fiscal Year of cost	(06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06) 33
Total Claimed Amount	(07) \$ 1,325,300	(13) \$ 1,204,822	(31) EFCW-1, (07) 362,271
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09) 46,303
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10) 220,017
Net Claimed Amount		(16) \$ 1,204,822	(34)
Due from State	(08) \$ 1,325,300	(17) \$ 1,204,822	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

11-30-06

Doug Roberts Vice Chancellor, Finance and 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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Contra Costa Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 2,339.35	\$ -	\$ -	\$ -	\$ -	\$ 2,339.35
b. Staff training (One time per employee)	\$ 866.53	\$ -	\$ -	\$ -	\$ -	\$ 866.53

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 861,974.12	\$ -	\$ -	\$ -	\$ -	\$ 861,974.12

3. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 1,313.05	\$ -	\$ -	\$ -	\$ -	\$ 1,313.05
b. Staff training (One time per employee)	\$ 2,655.41	\$ -	\$ -	\$ -	\$ -	\$ 2,655.41

3. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 5,235.48	\$ -	\$ 4,386.00	\$ -	\$ -	\$ 9,621.48
b. Waiving student fees	\$ 227,206.59	\$ -	\$ -	\$ -	\$ -	\$ 227,206.59
c. Reporting BOG fee waiver data to CCC	\$ 2,894.50	\$ -	\$ -	\$ -	\$ -	\$ 2,894.50
(05) Total Direct Costs	\$ 1,104,485.03	\$ -	\$ 4,386.00	\$ -	\$ -	\$ 1,108,871.03

Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					32.80%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 362,271.09
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 1,471,142.12

Cost Reduction						
(09) Less: Enrollment Fee Revenue offset						\$ 46,303.00
(10) Less: Enrollment Fee Waiver offsets						\$ 220,017.00
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]					\$ 1,204,822.12

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> </u> / <u> </u> / <u> </u>	
	(21) LRS Input <u> </u> / <u> </u> / <u> </u>	

LABEL HERE

(01) Claimant Identification Number: CC19140			Reimbursement Claim Data	
(02) Claimant Name: El Camino Community College District			(22) EFCW-1, (04)(A)(1)(a)(f)	650
County of Location: Los Angeles			(23) EFCW-1, (04)(A)(1)(b)(f)	6,092
Street Address or P.O. Box: 16007 Crenshaw Boulevard			(24) EFCW-1, (04)(A)(2)(a)(f)	354,835
City: Torrance	State: CA	Zip Code: 90506-0002	(25) EFCW-1, (04)(B)(1)(a)(f)	737
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	895
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	28,606
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	143,002
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	923
Fiscal Year of cost	(06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06)	35
Total Claimed Amount	(07) \$ 548,000	(13) \$ 498,257	(31) EFCW-1, (07)	187,616
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	50,935
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	174,163
Net Claimed Amount		(16) \$ 498,257	(34)	
Due from State	(08) \$ 548,000	(17) \$ 498,257	(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) on behalf of El Camino College	Date 12/4/2006
Janice Ely _____ Type or Print Name	Director of Accounting _____ Title
(38) Name of Contact Person for Claim SixTen and Associates	
Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com	

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: El Camino Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 649.80	\$ -	\$ -	\$ -	\$ -	\$ 649.80
b. Staff training (One time per employee)	\$ 6,091.89	\$ -	\$ -	\$ -	\$ -	\$ 6,091.89

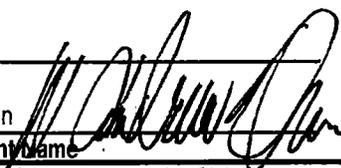
2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 354,834.72	\$ -	\$ -	\$ -	\$ -	\$ 354,834.72

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 736.90	\$ -	\$ -	\$ -	\$ -	\$ 736.90
b. Staff training (One time per employee)	\$ 894.65	\$ -	\$ -	\$ -	\$ -	\$ 894.65

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 28,606.10	\$ -	\$ -	\$ -	\$ -	\$ 28,606.10
b. Waiving student fees	\$ 143,002.02	\$ -	\$ -	\$ -	\$ -	\$ 143,002.02
c. Reporting BOG fee waiver data to CCC	\$ 922.97	\$ -	\$ -	\$ -	\$ -	\$ 922.97
Total Direct Costs	\$ 535,739.05	\$ -	\$ -	\$ -	\$ -	\$ 535,739.05

Indirect Costs	
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%] 35.02%
Total Indirect Costs	[Line (06) x line (05)(a)] \$ 187,615.82
Total Direct and Indirect Costs	[Line (05)(f) + line (07)] \$ 723,354.87

Reduction	
Less: Enrollment Fee Revenue offset	\$ 50,935.00
Less: Enrollment Fee Waiver offsets	\$ 174,162.64
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}] \$ 498,257.23

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only	Program 267																
(01) Claimant Identification Number: CC 43045			(19) Program Number 00267																	
(02) Claimant Name: Foothill-De Anza Community College District			(20) Date Filed: ___/___/___																	
(03) County of Location: Santa Clara			(21) LRS Input: ___/___/___																	
(04) Street Address or P.O. Box: 12345 El Monte Road			Reimbursement Claim Data																	
(05) City: Los Altos Hills State: CA Zip Code: 94022			(22) EFCW-1, (04)(A)(1)(a)(f)	2,862																
			(23) EFCW-1, (04)(A)(1)(b)(f)	6,118																
			(24) EFCW-1, (04)(A)(2)(a)(f)	1,333,627																
			(25) EFCW-1, (04)(B)(1)(a)(f)	3,615																
			(26) EFCW-1, (04)(B)(1)(b)(f)	2,363																
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:20%;">Type of Claim</th> <th style="width:20%;">Estimated Claim</th> <th style="width:20%;">Reimbursement Claim</th> <th style="width:40%;"></th> </tr> <tr> <td></td> <td>(03) Estimated <input type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> <td>(27) EFCW-1, (04)(B)(2)(a)(f)</td> </tr> <tr> <td></td> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td>(28) EFCW-1, (04)(B)(2)(b)(f)</td> </tr> <tr> <td></td> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> <td>(29) EFCW-1, (04)(B)(2)(c)(f)</td> </tr> </table>			Type of Claim	Estimated Claim	Reimbursement Claim			(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)		20,875
Type of Claim	Estimated Claim	Reimbursement Claim																		
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)																	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)																	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)																	
				105,073																
				11,218																
(06) Fiscal Year of cost: 2005-2006			(30) EFCW-1, (06)	29																
(07) Total Claimed Amount: \$ 1,691,674			(31) EFCW-1, (07)	429,382																
Less: 10% Late Penalty, not to exceed \$10,000 \$ 10,000			(32) EFCW-1, (09)	80,315																
Less: Prior Claim Payment Received \$ -			(33) EFCW-1, (10)	143,145																
Net Claimed Amount \$ 1,681,674			(34)																	
(08) Due from State \$ 1,681,674			(35)																	
Due to State			(36)																	
(37) CERTIFICATION OF CLAIM																				
<p>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.</p> <p>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.</p> <p>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.</p>																				
Signature of Authorized Officer (USE BLUE INK)			Date																	
			12/20/07																	
Andrew Dunn			Vice Chancellor, Business Services																	
Type or Print Name			Title																	
(38) Name of Contact Person for Claim																				
SixTen and Associates			Telephone Number: (858) 514-8605																	
			E-mail Address: kbpsixten@aol.com																	

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY					FORM EFCW-1
(01) Claimant: Foothill-De Anza Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2005-2006
(03) Leave Blank						
Direct Costs		Object Accounts				
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 2,862.48	\$ -	\$ -	\$ -	\$ -	\$ 2,862.48
b. Staff training (One time per employee)	\$ 6,117.61	\$ -	\$ -	\$ -	\$ -	\$ 6,117.61
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 1,333,626.78	\$ -	\$ -	\$ -	\$ -	\$ 1,333,626.78
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 3,615.30	\$ -	\$ -	\$ -	\$ -	\$ 3,615.30
b. Staff training (One time per employee)	\$ 2,363.45	\$ -	\$ -	\$ -	\$ -	\$ 2,363.45
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 20,875.05	\$ -	\$ -	\$ -	\$ -	\$ 20,875.05
b. Waiving student fees	\$ 105,072.91	\$ -	\$ -	\$ -	\$ -	\$ 105,072.91
c. Reporting BOG fee waiver data to CCC	\$ 11,218.07	\$ -	\$ -	\$ -	\$ -	\$ 11,218.07
(05) Total Direct Costs	\$ 1,485,751.65	\$ -	\$ -	\$ -	\$ -	\$ 1,485,751.65
Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					28.90%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 429,382.23
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 1,915,133.88
Cost Reduction						
(09) Less: Enrollment Fee Revenue offset						\$ 80,315.00
(10) Less: Enrollment Fee Waiver offsets						\$ 143,144.78
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]					\$ 1,691,674.10

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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LABEL HERE	(01) Claimant Identification Number: CC43060		Reimbursement Claim Data		
	(02) Claimant Name: Gavilan Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	1,245	
	(03) County of Location: Santa Clara		(23) EFCW-1, (04)(A)(1)(b)(f)	1,660	
	(04) Street Address or P.O. Box: 5055 Santa Teresa Boulevard		(24) EFCW-1, (04)(A)(2)(a)(f)	334,598	
	(05) City: Gilroy	(06) State: CA	(07) Zip Code: 95020-9599	(25) EFCW-1, (04)(B)(1)(a)(f) 84	
	Type of Claim	Estimated Claim		Reimbursement Claim	
		(03) Estimated	<input checked="" type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>
		(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>
		(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>
	(06) Fiscal Year of cost: 2006-2007	(07) Total Claimed Amount: \$ 495,800	(08) Fiscal Year of cost: 2005-2006	(09) Total Claimed Amount: \$ 450,729	(26) EFCW-1, (04)(B)(1)(b)(f) 42
Less: 10% Late Penalty		Less: Prior Claim Payment Received		(27) EFCW-1, (04)(B)(2)(a)(f) 35	
Net Claimed Amount		Net Claimed Amount		(28) EFCW-1, (04)(B)(2)(b)(f) 17,415	
Due from State: \$ 495,800		Due from State: \$ 450,729		(29) EFCW-1, (04)(B)(2)(c)(f) 1,897	
Due to State		Due to State		(30) EFCW-1, (06) 37	
				(31) EFCW-1, (07) 131,795	
				(32) EFCW-1, (09) 18,570	
				(33) EFCW-1, (10) 19,472	
				(34)	
				(35)	
				(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

Joseph D. Keeler

1/3/07

Joseph D. Keeler

Vice President, Administrative Services

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Gavilan Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 1,245.00	\$ -	\$ -	\$ -	\$ -	\$ 1,245.00
b. Staff training (One time per employee)	\$ 1,660.00	\$ -	\$ -	\$ -	\$ -	\$ 1,660.00

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 334,598.48	\$ -	\$ -	\$ -	\$ -	\$ 334,598.48

B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 83.60	\$ -	\$ -	\$ -	\$ -	\$ 83.60
b. Staff training (One time per employee)	\$ 41.80	\$ -	\$ -	\$ -	\$ -	\$ 41.80

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 34.69	\$ -	\$ -	\$ -	\$ -	\$ 34.69
b. Waiving student fees	\$ 17,414.67	\$ -	\$ -	\$ -	\$ -	\$ 17,414.67
c. Reporting BOG fee waiver data to CCC	\$ 1,897.46	\$ -	\$ -	\$ -	\$ -	\$ 1,897.46
(05) Total Direct Costs	\$ 356,975.70	\$ -	\$ -	\$ -	\$ -	\$ 356,975.70

Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]				36.92%	
(07) Total Indirect Costs	[Line (06) x line (05)(a)]				\$ 131,795.43	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]				\$ 488,771.13	

Cost Reduction						
(09) Less: Enrollment Fee Revenue offset					\$ 18,570.00	
(10) Less: Enrollment Fee Waiver offsets					\$ 19,472.22	
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]				\$ 450,728.91	

State Controller's Office

CLAIM FOR PAYMENT
 Pursuant to Government Code Section 17561
ENROLLMENT FEE COLLECTION AND WAIVERS

For State Controller Use Only
 (19) Program Number 00267
 (20) Date Filed ___/___/___
 (21) LRS Input ___/___/___

Program
267

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(01) Claimant Identification Number: CC15095
 (02) Claimant Name: Kern Community College District
 County of Location: Kern
 Street Address or P.O. Box: 2100 Chester Avenue
 City: Bakersfield State: CA Zip Code: 93301

Reimbursement Claim Data

Type of Claim	Estimated Claim	Reimbursement Claim	
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(22) EFCW-1, (04)(A)(1)(a)(f)	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(23) EFCW-1, (04)(A)(1)(b)(f)	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(24) EFCW-1, (04)(A)(2)(a)(f)	537,864
		(25) EFCW-1, (04)(B)(1)(a)(f)	255
		(26) EFCW-1, (04)(B)(1)(b)(f)	1,179
		(27) EFCW-1, (04)(B)(2)(a)(f)	
		(28) EFCW-1, (04)(B)(2)(b)(f)	338,327
		(29) EFCW-1, (04)(B)(2)(c)(f)	459
Fiscal Year of cost (06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06)	40
Total Claimed Amount (07) \$ 831,300	(13) \$ 755,817	(31) EFCW-1, (07)	350,443
Less: 10% Late Penalty (14) \$ -	(15) \$ -	(32) EFCW-1, (09)	132,491
Less: Prior Claim Payment Received (15) \$ -	(16) \$ -	(33) EFCW-1, (10)	340,220
Net Claimed Amount (16) \$ 755,817	(17) \$ 755,817	(34)	
Due from State (08) \$ 831,300	(18) \$ 755,817	(35)	
Due to State		(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



1-3-07

John Griffith

Director, Budget and Payroll Services

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: Northern Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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3) Leave Blank

Direct Costs	Object Accounts					
4) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a) Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b) Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a) Calculating and collecting enrollment fees	\$ 537,864.14	\$ -	\$ -	\$ -	\$ -	\$ 537,864.14

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a) Preparing district policies & procedures for § IV.B.	\$ 254.95	\$ -	\$ -	\$ -	\$ -	\$ 254.95
b) Staff training (One time per employee)	\$ 1,179.32	\$ -	\$ -	\$ -	\$ -	\$ 1,179.32

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a) Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b) Waiving student fees	\$ 338,326.82	\$ -	\$ -	\$ -	\$ -	\$ 338,326.82
c) Reporting BOG fee waiver data to CCC	\$ 458.91	\$ -	\$ -	\$ -	\$ -	\$ 458.91
5) Total Direct Costs	\$ 878,084.14	\$ -	\$ -	\$ -	\$ -	\$ 878,084.14

Indirect Costs						
3) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]				39.91%	
7) Total Indirect Costs	[Line (06) x line (05)(a)]				\$ 350,443.38	
8) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]				\$ 1,228,527.52	

Cost Reduction						
9) Less: Enrollment Fee Revenue offset					\$ 132,491.00	
10) Less: Enrollment Fee Waiver offsets					\$ 340,220.00	
11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]				\$ 755,816.52	

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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LABEL HERE	(01) Claimant Identification Number: CC 19250		Reimbursement Claim Data	
	(02) Claimant Name Long Beach Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	
	County of Location Los Angeles		(23) EFCW-1, (04)(A)(1)(b)(f)	127
	Street Address or P.O. Box 4901 East Carson Street		(24) EFCW-1, (04)(A)(2)(a)(f)	275,791
	City Long Beach	State CA	Zip Code 90808	(25) EFCW-1, (04)(B)(1)(a)(f) 47
	Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f) 392
		(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 17,915
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f) 2,207
	Fiscal Year of cost	(06)	(12) 2005-2006	(30) EFCW-1, (06) 34
Total Claimed Amount	(07)	(13) \$ 231,440	(31) EFCW-1, (07) 100,388	
Less: 10% Late Penalty		(14) \$ 23,144	(32) EFCW-1, (09) 144,866	
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10) 20,561	
Net Claimed Amount		(16) \$ 208,296	(34)	
Due from State	(08)	(17) \$ 208,296	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

Irma Ramos 6-25-07

Irma Ramos Administrative Dean, Human Resources

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY					FORM EFCW-1
(01) Claimant: Long Beach Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2005-2006	
(03) Leave Blank						
Direct Costs		Object Accounts				
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 126.82	\$ -	\$ -	\$ -	\$ -	\$ 126.82
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 275,791.39	\$ -	\$ -	\$ -	\$ -	\$ 275,791.39
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 46.96	\$ -	\$ -	\$ -	\$ -	\$ 46.96
b. Staff training (One time per employee)	\$ 391.60	\$ -	\$ -	\$ -	\$ -	\$ 391.60
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 17,915.35	\$ -	\$ -	\$ -	\$ -	\$ 17,915.35
c. Reporting BOG fee waiver data to CCC	\$ 2,207.12	\$ -	\$ -	\$ -	\$ -	\$ 2,207.12
(05) Total Direct Costs	\$ 296,479.24	\$ -	\$ -	\$ -	\$ -	\$ 296,479.24
Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					33.86%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 100,387.87
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 396,867.11
Cost Reduction						
(09) Less: Enrollment Fee Revenue offset						\$ 144,866.00
(10) Less: Enrollment Fee Waiver offsets						\$ 20,561.03
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]					\$ 231,440.08

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed ___/___/___	
	(21) LRS Input ___/___/___	

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(01) Claimant Identification Number: CC34050			Reimbursement Claim Data	
(02) Claimant Name: Los Rios Community College District			(22) EFCW-1, (04)(A)(1)(a)(f)	35,375
County of Location: Sacramento			(23) EFCW-1, (04)(A)(1)(b)(f)	959
Street Address or P.O. Box: 1919 Spanos Court			(24) EFCW-1, (04)(A)(2)(a)(f)	873,585
City: Sacramento	State: CA	Zip Code: 95825	(25) EFCW-1, (04)(B)(1)(a)(f)	22,729
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	9,695
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	144,613
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	444,612
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	206
Fiscal Year of cost	(06)	(12) 2005-2006	(30) EFCW-1, (06)	30
Total Claimed Amount	(07)	(13) \$ 1,046,983	(31) EFCW-1, (07)	454,638
Less : 10% Late Penalty, not to exceed \$10,000		(14) \$ 10,000	(32) EFCW-1, (09)	317,575
Less : Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	621,855
Net Claimed Amount		(16) \$ 1,036,983	(34)	
Due from State	(08)	(17) \$ 1,036,983	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

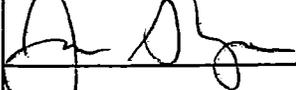
In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)

Date



12/21/07

Jon Sharpe

Deputy Chancellor

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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Claimant: Rios Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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a) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 35,375.38	\$ -	\$ -	\$ -	\$ -	\$ 35,375.38
b. Staff training (One time per employee)	\$ 959.21	\$ -	\$ -	\$ -	\$ -	\$ 959.21

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 873,585.43	\$ -	\$ -	\$ -	\$ -	\$ 873,585.43
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 16,837.16	\$ -	\$ 5,892.00	\$ -	\$ -	\$ 22,729.16
b. Staff training (One time per employee)	\$ 9,694.53	\$ -	\$ -	\$ -	\$ -	\$ 9,694.53

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 134,190.50	\$ -	\$ 10,422.80	\$ -	\$ -	\$ 144,613.30
b. Waiving student fees	\$ 444,612.29	\$ -	\$ -	\$ -	\$ -	\$ 444,612.29
c. Reporting BOG fee waiver data to CCC	\$ 205.85	\$ -	\$ -	\$ -	\$ -	\$ 205.85
Total Direct Costs	\$ 1,515,460.35	\$ -	\$ 16,314.80	\$ -	\$ -	\$ 1,531,775.15

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	30.00%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 454,638.11
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,986,413.26

Reduction	
Less: Enrollment Fee Revenue offset	\$ 317,575.00
Less: Enrollment Fee Waiver offsets	\$ 621,855.13
Total Claimed Amount	\$ 1,046,983.13

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> </u> / <u> </u> / <u> </u>	
	(21) LRS Input <u> </u> / <u> </u> / <u> </u>	

(01) Claimant Identification Number: CC33075	Reimbursement Claim Data	
(02) Claimant Name: Mt. San Jacinto Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	13,971
County of Location: Riverside	(23) EFCW-1, (04)(A)(1)(b)(f)	13,620
Street Address or P.O. Box: 1499 North State Street	(24) EFCW-1, (04)(A)(2)(a)(f)	117,812
City: San Jacinto	(25) EFCW-1, (04)(B)(1)(a)(f)	12,656
State: CA		
Zip Code: 92583		

Type of Claim	Estimated Claim	Reimbursement Claim	Code	Amount
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	7,520
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	35,378
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	56,736
			(29) EFCW-1, (04)(B)(2)(c)(f)	21,084
Fiscal Year of cost	(06)	(12) 2005-2006	(30) EFCW-1, (06)	34
Total Claimed Amount	(07)	(13) \$ 169,055	(31) EFCW-1, (07)	69,787
Less : 10% Late Penalty		(14) \$ 10,000	(32) EFCW-1, (09)	46,135
Less : Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	133,373
Net Claimed Amount		(16) \$ 159,055	(34)	
Due from State	(08)	(17) \$ 159,055	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

Denmis Hogan 10-15-07

Becky Elam *DENMIS HOGAN* Vice President of Business

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant Mt. San Jacinto Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 13,970.66	\$ -	\$ -	\$ -	\$ -	\$ 13,970.66
b. Staff training (One time per employee)	\$ 12,128.80	\$ -	\$ -	\$ -	\$ 1,491.00	\$ 13,619.80

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 61,972.84	\$ 14,822.22	\$ -	\$ 41,017.00	\$ -	\$ 117,812.06
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 12,655.67	\$ -	\$ -	\$ -	\$ -	\$ 12,655.67
b. Staff training (One time per employee)	\$ 6,525.68	\$ -	\$ -	\$ -	\$ 994.00	\$ 7,519.68

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 35,377.76	\$ -	\$ -	\$ -	\$ -	\$ 35,377.76
b. Waiving student fees	\$ 41,420.69	\$ -	\$ -	\$ 15,315.00	\$ -	\$ 56,735.69
c. Reporting BOG fee waiver data to CCC	\$ 21,084.40	\$ -	\$ -	\$ -	\$ -	\$ 21,084.40

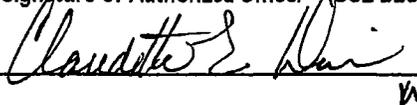
(05) Total Direct Costs	\$ 205,136.50	\$ 14,822.22	\$ -	\$ 56,332.00	\$ 2,485.00	\$ 278,775.72
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Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	34.02%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 69,787.44
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 348,563.16

Cost Reduction

(09) Less: Enrollment Fee Revenue offset		\$ 46,135.00
(10) Less: Enrollment Fee Waiver offsets		\$ 133,373.20
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 169,054.96

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only	Program 267
(01) Claimant Identification Number: CC30105			Reimbursement Claim Data	
(02) Claimant Name North Orange County Community College District			(22) EFCW-1, (04)(A)(1)(a)(f)	67
County of Location Orange			(23) EFCW-1, (04)(A)(1)(b)(f)	4,048
Street Address or P.O. Box 1830 West Romneya Drive			(24) EFCW-1, (04)(A)(2)(a)(f)	826,195
City Anaheim	State CA	Zip Code 92801-1819	(25) EFCW-1, (04)(B)(1)(a)(f)	
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	380
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	466,102
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	3,416
Fiscal Year of cost	(06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06)	39
Total Claimed Amount	(07) \$ 1,481,200	(13) \$ 1,346,634	(31) EFCW-1, (07)	507,081
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	118,851
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	341,804
Net Claimed Amount		(16) \$ 1,346,634	(34)	
Due from State	(08) \$ 1,481,200	(17) \$ 1,346,634	(35)	
Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM				
<p>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.</p> <p>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.</p> <p>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.</p>				
Signature of Authorized Officer (USE BLUE INK)			Date	
			1/10/07	
Type or Print Name			Title	
Claudette Dain			District Director, Fiscal Affairs	
(38) Name of Contact Person for Claim				
SixTen and Associates				
			Telephone Number: (858) 514-8605	
			E-mail Address: kbpsixten@aol.com	

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant North Orange County Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 67.46	\$ -	\$ -	\$ -	\$ -	\$ 67.46
b. Staff training (One time per employee)	\$ 4,047.60	\$ -	\$ -	\$ -	\$ -	\$ 4,047.60

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 826,195.47	\$ -	\$ -	\$ -	\$ -	\$ 826,195.47

B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 379.52	\$ -	\$ -	\$ -	\$ -	\$ 379.52

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 466,102.48	\$ -	\$ -	\$ -	\$ -	\$ 466,102.48
c. Reporting BOG fee waiver data to CCC	\$ 3,415.68	\$ -	\$ -	\$ -	\$ -	\$ 3,415.68
(05) Total Direct Costs	\$ 1,300,208.21	\$ -	\$ -	\$ -	\$ -	\$ 1,300,208.21

Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]				39.00%	
(07) Total Indirect Costs	[Line (06) x line (05)(a)]				\$ 507,081.20	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]				\$ 1,807,289.41	

Cost Reduction						
(09) Less: Enrollment Fee Revenue offset					\$ 118,851.00	
(10) Less: Enrollment Fee Waiver offsets					\$ 341,804.00	
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]				\$ 1,346,634.41	

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> / / </u>	
	(21) LRS Input <u> / / </u>	

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(01) Claimant Identification Number: CC37140	Reimbursement Claim Data	
(02) Claimant Name: Palomar Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: San Diego	(23) EFCW-1, (04)(A)(1)(b)(f)	196
Street Address or P.O. Box: 1140 West Mission Road	(24) EFCW-1, (04)(A)(2)(a)(f)	552,012
City: San Marcos State: CA Zip Code: 92069-1487	(25) EFCW-1, (04)(B)(1)(a)(f)	570

Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	102,805
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	511
Fiscal Year of cost	(06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06)	25
Total Claimed Amount	(07) \$ 751,500	(13) \$ 683,218	(31) EFCW-1, (07)	167,412
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	36,402
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	104,826
Net Claimed Amount		(16) \$ 683,218	(34)	
Due from State	(08) \$ 751,500	(17) \$ 683,218	(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)



Anita Weems

Type or Print Name

(38) Name of Contact Person for Claim

SixTen and Associates

Date 12/20/08

Director of Fiscal Services

Title

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: Lamar Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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3) Leave Blank

Direct Costs	Object Accounts					
(1) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 195.96	\$ -	\$ -	\$ -	\$ -	\$ 195.96
2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 552,011.93	\$ -	\$ -	\$ -	\$ -	\$ 552,011.93
1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 569.92	\$ -	\$ -	\$ -	\$ -	\$ 569.92
b. Staff training (One time per employee)	\$ 940.24	\$ -	\$ -	\$ -	\$ -	\$ 940.24
2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 102,804.94	\$ -	\$ -	\$ -	\$ -	\$ 102,804.94
c. Reporting BOG fee waiver data to CCC	\$ 511.08	\$ -	\$ -	\$ -	\$ -	\$ 511.08
Total Direct Costs	\$ 657,034.07	\$ -	\$ -	\$ -	\$ -	\$ 657,034.07

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	25.48%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 167,412.28
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 824,446.35
Reduction		
Less: Enrollment Fee Revenue offset		\$ 36,402.00
Less: Enrollment Fee Waiver offsets		\$ 104,826.18
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 683,218.17

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> </u> / <u> </u> / <u> </u>	
	(21) LRS Input <u> </u> / <u> </u> / <u> </u>	

(01) Claimant Identification Number: CC19335	Reimbursement Claim Data	
(02) Claimant Name: Pasadena Area Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: Los Angeles	(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 1570 E. Colorado Boulevard	(24) EFCW-1, (04)(A)(2)(a)(f)	110,265
City: Pasadena State: CA Zip Code: 91106-2003	(25) EFCW-1, (04)(B)(1)(a)(f)	

Type of Claim	Estimated Claim	Reimbursement Claim			
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)		9,532
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)		32,182
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)		84,247
			(29) EFCW-1, (04)(B)(2)(c)(f)		
Fiscal Year of cost	(06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06)		33
Total Claimed Amount	(07) \$ 63,900	(13) \$ 58,167	(31) EFCW-1, (07)		77,482
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)		129,580
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)		125,961
Net Claimed Amount		(16) \$ 58,167	(34)		
Due from State	(08) \$ 63,900	(17) \$ 58,167	(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) _____ James Albanese Type or Print Name	Date <u>1/11/07</u> _____ Interim Vice President, Administrative Services Title
--	--

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Pasadena Area Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 110,265.00	\$ -	\$ -	\$ -	\$ -	\$ 110,265.00

B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 9,532.25	\$ -	\$ -	\$ -	\$ -	\$ 9,532.25

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 32,181.62	\$ -	\$ -	\$ -	\$ -	\$ 32,181.62
b. Waiving student fees	\$ 84,246.66	\$ -	\$ -	\$ -	\$ -	\$ 84,246.66
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(05) Total Direct Costs	\$ 236,225.53	\$ -	\$ -	\$ -	\$ -	\$ 236,225.53

Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					32.80%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 77,481.97
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 313,707.50

Cost Reduction						
(9) Less: Enrollment Fee Revenue offset						\$ 129,580.00
(10) Less: Enrollment Fee Waiver offsets						\$ 125,960.53
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]					\$ 58,166.97

Claim File Copy

State Controller's Office

Community College Mandated Cost Manual

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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LABEL HERE

(01) Claimant Identification Number: CC12145	Reimbursement Claim Data	
(02) Claimant Name: Redwoods Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: Humboldt	(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 7351 Tompkins Hill Road	(24) EFCW-1, (04)(A)(2)(a)(f)	33,901
City: Eureka	(25) EFCW-1, (04)(B)(1)(a)(f)	
State: CA	(26) EFCW-1, (04)(B)(1)(b)(f)	
Zip Code: 95501	(27) EFCW-1, (04)(B)(2)(a)(f)	

Type of Claim	Estimated Claim	Reimbursement Claim	Reimbursement Claim Data
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	45,260
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	
Fiscal Year of cost	(06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06) 37
Total Claimed Amount	(07) \$ 30,300	(13) \$ 27,607	(31) EFCW-1, (07) 29,646
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09) 35,939
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10) 45,260
Net Claimed Amount		(16) \$ 27,607	(34)
Due from State	(08) \$ 30,300	(17) \$ 27,607	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

Scott Thomason 1/05/07

Scott Thomason Vice President, Chief Business Officer

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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01) Claimant: Redwoods Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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03) Leave Blank

Direct Costs	Object Accounts					
04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 33,900.55	\$ -	\$ -	\$ -	\$ -	\$ 33,900.55
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 45,260.31	\$ -	\$ -	\$ -	\$ -	\$ 45,260.31
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

15) Total Direct Costs	\$ 79,160.86	\$ -	\$ -	\$ -	\$ -	\$ 79,160.86
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Indirect Costs

16) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	37.45%
17) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 29,645.74
18) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 108,806.60

Cost Reduction

9) Less: Enrollment Fee Revenue offset		\$ 35,939.00
10) Less: Enrollment Fee Waiver offsets		\$ 45,260.31
11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 27,607.29

CLAIM FOR PAYMENT
 Pursuant to Government Code Section 17561
ENROLLMENT FEE COLLECTION AND WAIVERS

For State Controller Use Only
 (19) Program Number 00267
 (20) Date Filed ___/___/___
 (21) LRS Input ___/___/___

Program
267

L
A
B
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L

H
E
R
E

(01) Claimant Identification Number: **CC36150**

(02) Claimant Name: **San Bernardino Community College District**

County of Location: **San Bernardino**

Street Address or P.O. Box: **114 S Del Rosa Drive**

City: **San Bernardino** State: **CA** Zip Code: **92408**

Reimbursement Claim Data	
(22) EFCW-1, (04)(A)(1)(a)(f)	2,750
(23) EFCW-1, (04)(A)(1)(b)(f)	487
(24) EFCW-1, (04)(A)(2)(a)(f)	686,376
(25) EFCW-1, (04)(B)(1)(a)(f)	168
(26) EFCW-1, (04)(B)(1)(b)(f)	632
(27) EFCW-1, (04)(B)(2)(a)(f)	
(28) EFCW-1, (04)(B)(2)(b)(f)	42,921
(29) EFCW-1, (04)(B)(2)(c)(f)	298
(30) EFCW-1, (06)	48
(31) EFCW-1, (07)	350,236
(32) EFCW-1, (09)	101,838
(33) EFCW-1, (10)	44,019
(34)	
(35)	
(36)	

Type of Claim	Estimated Claim	Reimbursement Claim
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	
Fiscal Year of cost	(06) 2006-2007	(12) 2005-2006
Total Claimed Amount	(07) \$ 1,031,800	(13) \$ 938,012
Less: 10% Late Penalty		(14) \$ -
Less: Prior Claim Payment Received		(15) \$ -
Net Claimed Amount		(16) \$ 938,012
Due from State	(08) \$ 1,031,800	(17) \$ 938,012
Due to State		(18)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)

Date



11-29-06

Robert Temple

Vice Chancellor Fiscal Services

Type or Print Name

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant San Bernardino Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 2,750.15	\$ -	\$ -	\$ -	\$ -	\$ 2,750.15
b. Staff training (One time per employee)	\$ 487.30	\$ -	\$ -	\$ -	\$ -	\$ 487.30
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 686,375.85	\$ -	\$ -	\$ -	\$ -	\$ 686,375.85
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 168.14	\$ -	\$ -	\$ -	\$ -	\$ 168.14
b. Staff training (One time per employee)	\$ 632.30	\$ -	\$ -	\$ -	\$ -	\$ 632.30
3. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 42,921.34	\$ -	\$ -	\$ -	\$ -	\$ 42,921.34
c. Reporting BOG fee waiver data to CCC	\$ 297.60	\$ -	\$ -	\$ -	\$ -	\$ 297.60
(05) Total Direct Costs	\$ 733,632.68	\$ -	\$ -	\$ -	\$ -	\$ 733,632.68

Indirect Costs		
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	47.74%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 350,236.24
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,083,868.92
Cost Reduction		
(9) Less: Enrollment Fee Revenue offset		\$ 101,838.00
(0) Less: Enrollment Fee Waiver offsets		\$ 44,019.38
(1) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]	\$ 938,011.54

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only		Program 267
(01) Claimant Identification Number: CC41100			(19) Program Number 00267		
(02) Claimant Name: San Mateo County Community College District			(20) Date Filed: <u> </u> / <u> </u> / <u> </u>		
County of Location: San Mateo			(21) LRS Input: <u> </u> / <u> </u> / <u> </u>		
Street Address or P.O. Box: 3401 CSM Drive					
City: San Mateo State: CA Zip Code: 94402					
Type of Claim	Estimated Claim	Reimbursement Claim	Reimbursement Claim Data		
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)			3,499
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)			21,081
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)			646,091
		(29) EFCW-1, (04)(B)(2)(c)(f)			1,524
Fiscal Year of cost: (06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06)			5,235
Total Claimed Amount: (07) \$ 1,114,500	(13) \$ 1,013,241	(31) EFCW-1, (07)			134,928
Less: 10% Late Penalty	(14) \$ -	(32) EFCW-1, (09)			190,235
Less: Prior Claim Payment Received	(15) \$ -	(33) EFCW-1, (10)			5,040
Net Claimed Amount	(16) \$ 1,013,241	(34)			30
Due from State: (08) \$ 1,114,500	(17) \$ 1,013,241	(35)			291,953
Due to State	(18)	(36)			72,111
(37) CERTIFICATION OF CLAIM					
<p>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.</p> <p>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.</p> <p>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.</p>					
Signature of Authorized Officer (USE BLUE INK)			Date		
			12/18/06		
Kathy Blackwood			Chief Financial Officer		
Type or Print Name			Title		
(38) Name of Contact Person for Claim					
SixTen and Associates					
Telephone Number: (858) 514-8605			E-mail Address: kbpsixten@aol.com		

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(1) Claimant San Mateo County Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(3) Leave Blank

Direct Costs	Object Accounts					
(4) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 3,499.43	\$ -	\$ -	\$ -	\$ -	\$ 3,499.43
b. Staff training (One time per employee)	\$ 21,080.85	\$ -	\$ -	\$ -	\$ -	\$ 21,080.85

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 646,090.65	\$ -	\$ -	\$ -	\$ -	\$ 646,090.65

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 1,523.68	\$ -	\$ -	\$ -	\$ -	\$ 1,523.68
b. Staff training (One time per employee)	\$ 5,235.39	\$ -	\$ -	\$ -	\$ -	\$ 5,235.39

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 134,928.25	\$ -	\$ -	\$ -	\$ -	\$ 134,928.25
b. Waiving student fees	\$ 155,778.78	\$ -	\$ 34,455.96	\$ -	\$ -	\$ 190,234.74
c. Reporting BOG fee waiver data to CCC	\$ 5,040.31	\$ -	\$ -	\$ -	\$ -	\$ 5,040.31
Total Direct Costs	\$ 973,177.34	\$ -	\$ 34,455.96	\$ -	\$ -	\$ 1,007,633.30

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	30.00%
Total Indirect Costs	[Line (06) x line (05)(e)]	\$ 291,953.20
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,299,586.50

Offset Reduction	
Less: Enrollment Fee Revenue offset	\$ 72,111.00
Less: Enrollment Fee Waiver offsets	\$ 214,235.00
Total Claimed Amount	\$ 1,013,240.50 [Line (08) - (Line (09) + Line (10))]

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> </u> / <u> </u> / <u> </u>	
	(21) LRS Input <u> </u> / <u> </u> / <u> </u>	

L A B E L H E R E	(01) Claimant Identification Number: CC19385		Reimbursement Claim Data		
	(02) Claimant Name: Santa Monica Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	47,573	
	County of Location: Los Angeles		(23) EFCW-1, (04)(A)(1)(b)(f)	2,947	
	Street Address or P.O. Box: 1900 Pico Blvd		(24) EFCW-1, (04)(A)(2)(a)(f)	865,435	
	City: Santa Monica	State: CA	Zip Code: 90405-1628	(25) EFCW-1, (04)(B)(1)(a)(f)	41,063
	Type of Claim (03) Estimated <input type="checkbox"/> (04) Combined <input type="checkbox"/> (05) Amended <input type="checkbox"/>	Estimated Claim (09) Reimbursement <input type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input checked="" type="checkbox"/>		(26) EFCW-1, (04)(B)(1)(b)(f)	8,625
				(27) EFCW-1, (04)(B)(2)(a)(f)	73,633
				(28) EFCW-1, (04)(B)(2)(b)(f)	163,900
	Fiscal Year of cost: (06) 2005-2006		(12)	(30) EFCW-1, (06)	34
	Total Claimed Amount: (07) \$ 1,291,585		(13)	(31) EFCW-1, (07)	413,221
Less: 10% Late Penalty: (14) \$ 10,000		(14)	(32) EFCW-1, (09)	71,016	
Less: Prior Claim Payment Received: (15) \$ -		(15)	(33) EFCW-1, (10)	257,106	
Net Claimed Amount: (16) \$ 1,281,585		(16)	(34)		
Due from State: (08) \$ 1,281,585	(08)	(17)	(35)		
Due to State: (18)		(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

10-18-07

Randall Lawson Vice President, Administrative Services

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant Santa Monica Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
4) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 47,572.54	\$ -	\$ -	\$ -	\$ -	\$ 47,572.54
b. Staff training (One time per employee)	\$ 2,946.59	\$ -	\$ -	\$ -	\$ -	\$ 2,946.59
2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 865,434.80	\$ -	\$ -	\$ -	\$ -	\$ 865,434.80
1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 41,063.25	\$ -	\$ -	\$ -	\$ -	\$ 41,063.25
b. Staff training (One time per employee)	\$ 8,625.15	\$ -	\$ -	\$ -	\$ -	\$ 8,625.15
2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 73,632.97	\$ -	\$ -	\$ -	\$ -	\$ 73,632.97
b. Waiving student fees	\$ 163,900.41	\$ -	\$ -	\$ -	\$ -	\$ 163,900.41
c. Reporting BOG fee waiver data to CCC	\$ 3,309.66	\$ -	\$ -	\$ -	\$ -	\$ 3,309.66
Total Direct Costs	\$ 1,206,485.37	\$ -	\$ -	\$ -	\$ -	\$ 1,206,485.37

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	34.25%
Total Indirect Costs	[Line (06) x line (05)(e)]	\$ 413,221.24
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,619,706.61
Reduction		
Less: Enrollment Fee Revenue offset		\$ 71,016.00
Less: Enrollment Fee Waiver offsets		\$ 257,106.00
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 1,291,584.61

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> </u> / <u> </u> / <u> </u>	
	(21) LRS Input <u> </u> / <u> </u> / <u> </u>	

(01) Claimant Identification Number: CC31090	Reimbursement Claim Data	
(02) Claimant Name Sierra Joint Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	5,144
County of Location Placer	(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box 5000 Rocklin Road	(24) EFCW-1, (04)(A)(2)(a)(f)	178,853
City State Zip Code Rocklin CA 95677	(25) EFCW-1, (04)(B)(1)(a)(f)	25

Type of Claim	Estimated Claim	Reimbursement Claim	EFCW Code	Amount
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	101
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	47
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	73,787
			(29) EFCW-1, (04)(B)(2)(c)(f)	1,661
Fiscal Year of cost	(06) 2006-2007	(12) 2005-2006	(30) EFCW-1, (06)	36
Total Claimed Amount	(07) \$ 246,000	(13) \$ 223,691	(31) EFCW-1, (07)	92,684
Less: 10% Late Penalty		(14) \$ -	(32) EFCW-1, (09)	52,990
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	75,622
Net Claimed Amount		(16) \$ 223,691	(34)	
Due from State	(08) \$ 246,000	(17) \$ 223,691	(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) _____ Joyce Lopes	Date 12/5/06 _____ Director of Finance
Type or Print Name	Title

(38) Name of Contact Person for Claim SixTen and Associates	Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com
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Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant Sierra Joint Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 5,143.95	\$ -	\$ -	\$ -	\$ -	\$ 5,143.95
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 178,853.32	\$ -	\$ -	\$ -	\$ -	\$ 178,853.32
3. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 25.20	\$ -	\$ -	\$ -	\$ -	\$ 25.20
b. Staff training (One time per employee)	\$ 100.80	\$ -	\$ -	\$ -	\$ -	\$ 100.80
3. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 47.24	\$ -	\$ -	\$ -	\$ -	\$ 47.24
b. Waiving student fees	\$ 73,787.34	\$ -	\$ -	\$ -	\$ -	\$ 73,787.34
c. Reporting BOG fee waiver data to CCC	\$ 1,661.40	\$ -	\$ -	\$ -	\$ -	\$ 1,661.40
(05) Total Direct Costs	\$ 259,619.25	\$ -	\$ -	\$ -	\$ -	\$ 259,619.25

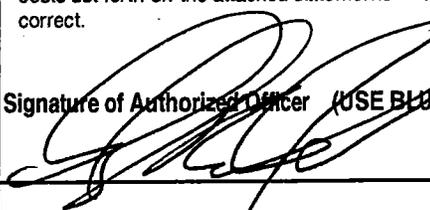
Indirect Costs	
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%] 35.70%
(07) Total Indirect Costs	[Line (06) x line (05)(a)] \$ 92,684.07
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)] \$ 352,303.32

Cost Reduction	
(09) Less: Enrollment Fee Revenue offset	\$ 52,990.00
(10) Less: Enrollment Fee Waiver offsets	\$ 75,621.98
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}] \$ 223,691.34

Claim File Copy

State Controller's Office

Community College Mandated Cost Manual

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only	Program 267																
(01) Claimant Identification Number: CC10225			(19) Program Number 00267																	
(02) Claimant Name State Center Community College District			(20) Date Filed <u> </u> / <u> </u> / <u> </u>																	
County of Location Fresno			(21) LRS Input <u> </u> / <u> </u> / <u> </u>																	
Street Address or P.O. Box 1525 East Weldon Avenue			Reimbursement Claim Data																	
City Fresno State CA Zip Code 93704-6398			(22) EFCW-1, (04)(A)(1)(a)(f)	7																
			(23) EFCW-1, (04)(A)(1)(b)(f)	18																
			(24) EFCW-1, (04)(A)(2)(a)(f)	393,566																
			(25) EFCW-1, (04)(B)(1)(a)(f)	683																
			(26) EFCW-1, (04)(B)(1)(b)(f)	672																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Type of Claim</th> <th style="width: 20%;">Estimated Claim</th> <th style="width: 20%;">Reimbursement Claim</th> <th style="width: 40%;"></th> </tr> </thead> <tbody> <tr> <td>(03) Estimated</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>(09) Reimbursement</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>(04) Combined</td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(10) Combined</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(05) Amended</td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(11) Amended</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>			Type of Claim	Estimated Claim	Reimbursement Claim		(03) Estimated	<input checked="" type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>	(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>	(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	168
Type of Claim	Estimated Claim	Reimbursement Claim																		
(03) Estimated	<input checked="" type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>																	
(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>																	
(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>																	
			(28) EFCW-1, (04)(B)(2)(b)(f)	528,475																
			(29) EFCW-1, (04)(B)(2)(c)(f)	5,412																
Fiscal Year of cost			(30) EFCW-1, (06)	37																
(06) 2006-2007			(12) 2005-2006																	
Total Claimed Amount			(31) EFCW-1, (07)	339,085																
(07) \$ 588,700			(13) \$ 535,215																	
Less: 10% Late Penalty			(32) EFCW-1, (09)	197,461																
(14) \$ -			(15) \$ -																	
Less: Prior Claim Payment Received			(33) EFCW-1, (10)	535,411																
(15) \$ -			(16) \$ 535,215																	
Net Claimed Amount			(34)																	
(16) \$ 535,215			(17) \$ 535,215																	
Due from State			(35)																	
(17) \$ 588,700			(18) \$ -																	
Due to State			(36)																	
(18) \$ -																				
(37) CERTIFICATION OF CLAIM																				
<p>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.</p> <p>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.</p> <p>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.</p>																				
Signature of Authorized Officer (USE BLUE INK)			Date																	
																				
Douglas R. Brinkley			Vice Chancellor, Finance & Admin																	
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																	

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY					FORM EFCW-1
(01) Claimant: State Center Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 2005-2006
(03) Leave Blank						
Direct Costs		Object Accounts				
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 7.02	\$ -	\$ -	\$ -	\$ -	\$ 7.02
b. Staff training (One time per employee)	\$ 17.57	\$ -	\$ -	\$ -	\$ -	\$ 17.57
A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 393,565.61	\$ -	\$ -	\$ -	\$ -	\$ 393,565.61
B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 683.28	\$ -	\$ -	\$ -	\$ -	\$ 683.28
b. Staff training (One time per employee)	\$ 672.40	\$ -	\$ -	\$ -	\$ -	\$ 672.40
B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 168.10	\$ -	\$ -	\$ -	\$ -	\$ 168.10
b. Waiving student fees	\$ 528,475.46	\$ -	\$ -	\$ -	\$ -	\$ 528,475.46
c. Reporting BOG fee waiver data to CCC	\$ 5,411.84	\$ -	\$ -	\$ -	\$ -	\$ 5,411.84
(05) Total Direct Costs	\$ 929,001.28	\$ -	\$ -	\$ -	\$ -	\$ 929,001.28
Indirect Costs						
(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					36.50%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 339,085.47
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 1,268,086.75
Cost Reduction						
(09) Less: Enrollment Fee Revenue offset						\$ 197,461.00
(10) Less: Enrollment Fee Waiver offsets						\$ 535,411.08
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]					\$ 535,214.67

CLAIM FOR REIMBURSEMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC15255 (02) Claimant Name: West Kern Community College District County of Location: Kern Street Address or P.O. Box: 29 Emmons Park Drive City: Taft State: CA Zip Code: 93268	Reimbursement Claim Data
Type of Claim Estimated Claim Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)
(03) Estimated <input type="checkbox"/> (09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
(04) Combined <input type="checkbox"/> (10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 35,430
(05) Amended <input type="checkbox"/> (11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f) 283
Fiscal Year of cost (06) (12) 2005-2006	(30) EFCW-1, (06) 34
Total Claimed Amount (07)	(13) \$ 129,368 (31) EFCW-1, (07) 43,611
Less: 10% Late Penalty, not to exceed \$10,000	(14) \$ 10,000 (32) EFCW-1, (09) 10,882
Less: Prior Claim Payment Received	(15) \$ - (33) EFCW-1, (10) 30,435
Net Claimed Amount	(16) \$ 119,368 (34)
Due from State (08)	(17) \$ 119,368 (35)
Due to State	(18) (36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)

Date

William H. Duncan IV

12-17-07

William H. Duncan IV

Executive Vice President

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**

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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Claimant: <i>WCC</i> Kern Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
Calculating and collecting enrollment fees	\$ 91,359.60	\$ -	\$ -	\$ -	\$ -	\$ 91,359.60

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Waiving student fees	\$ 35,430.11	\$ -	\$ -	\$ -	\$ -	\$ 35,430.11
Reporting BOG fee waiver data to CCC	\$ 283.42	\$ -	\$ -	\$ -	\$ -	\$ 283.42
Total Direct Costs	\$ 127,073.13	\$ -	\$ -	\$ -	\$ -	\$ 127,073.13

Direct Costs	
Direct Cost Rate	[From OMB A-21, FAM-29C, or 7%] 34.32%
Total Indirect Costs	[Line (06) x line (05)(a)] \$ 43,611.50
Total Direct and Indirect Costs	[Line (05)(f) + line (07)] \$ 170,684.63

Education	
Less: Enrollment Fee Revenue offset	\$ 10,882.00
Less: Enrollment Fee Waiver offsets	\$ 30,435.00
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}] \$ 129,367.63

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed <u> / / </u> (21) LRS Input <u> / / </u>	Program 267
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(01) Claimant Identification Number: CC43180	Reimbursement Claim Data																
(02) Claimant Name West Valley-Mission Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	885															
County of Location Santa Clara	(23) EFCW-1, (04)(A)(1)(b)(f)	61,835															
Street Address or P.O. Box 14000 Fruitvale Avenue	(24) EFCW-1, (04)(A)(2)(a)(f)	722,110															
City State Zip Code Saratoga CA 95070-5698	(25) EFCW-1, (04)(B)(1)(a)(f)	510															
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:20%;">Type of Claim</th> <th style="width:20%;">Estimated Claim</th> <th style="width:20%;">Reimbursement Claim</th> </tr> <tr> <td>(03) Estimated <input type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> <td>(26) EFCW-1, (04)(B)(1)(b)(f)</td> </tr> <tr> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td>(27) EFCW-1, (04)(B)(2)(a)(f)</td> </tr> <tr> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> <td>(28) EFCW-1, (04)(B)(2)(b)(f)</td> </tr> <tr> <td></td> <td></td> <td>(29) EFCW-1, (04)(B)(2)(c)(f)</td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)			(29) EFCW-1, (04)(B)(2)(c)(f)	(27) EFCW-1, (04)(B)(2)(a)(f)	8,518
Type of Claim	Estimated Claim	Reimbursement Claim															
(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)															
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)															
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)															
		(29) EFCW-1, (04)(B)(2)(c)(f)															
Fiscal Year of cost (06) 2005-2006	(12) 2005-2006	(30) EFCW-1, (06) 38															
Total Claimed Amount (07) \$ 1,327,423	(13) \$ 1,327,423	(31) EFCW-1, (07) 406,225															
Less : 10% Late Penalty	(14) \$ 10,000	(32) EFCW-1, (09) 37,141															
Less : Prior Claim Payment Received	(15) \$ -	(33) EFCW-1, (10) 122,908															
Net Claimed Amount	(16) \$ 1,317,423	(34)															
Due from State (08)	(17) \$ 1,317,423	(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)

George Kozitza

George Kozitza

Type or Print Name

Date

10/18/07

Interim Vice Chancellor

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: West Valley-Mission Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 884.62	\$ -	\$ -	\$ -	\$ -	\$ 884.62
b. Staff training (One time per employee)	\$ 61,834.63	\$ -	\$ -	\$ -	\$ -	\$ 61,834.63

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 722,109.69	\$ -	\$ -	\$ -	\$ -	\$ 722,109.69
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B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 509.90	\$ -	\$ -	\$ -	\$ -	\$ 509.90
b. Staff training (One time per employee)	\$ 8,518.48	\$ -	\$ -	\$ -	\$ -	\$ 8,518.48

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 8,986.32	\$ -	\$ -	\$ -	\$ -	\$ 8,986.32
b. Waiving student fees	\$ 241,297.29	\$ -	\$ -	\$ -	\$ -	\$ 241,297.29
c. Reporting BOG fee waiver data to CCC	\$ 37,106.32	\$ -	\$ -	\$ -	\$ -	\$ 37,106.32

(05) Total Direct Costs	\$ 1,081,247.25	\$ -	\$ -	\$ -	\$ -	\$ 1,081,247.25
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Indirect Costs

(06) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	37.57%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 406,224.59
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,487,471.84

Cost Reduction

(09) Less: Enrollment Fee Revenue offset	\$ 37,141.00
(10) Less: Enrollment Fee Waiver offsets	\$ 122,908.00
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))] \$ 1,327,422.84

Claim File Copy

State Controller's Office

Community College Mandated Cost Manual

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only: (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___		Program 267														
(01) Claimant Identification Number: CC50150			Reimbursement Claim Data																
(02) Claimant Name Yosemite Community College District			(22) EFCW-1, (04)(A)(1)(a)(f)																
County of Location Stanislaus			(23) EFCW-1, (04)(A)(1)(b)(f)																
Street Address or P.O. Box P.O. Box 4065			(24) EFCW-1, (04)(A)(2)(a)(f)		224,411														
City Modesto State CA Zip Code 95352			(25) EFCW-1, (04)(B)(1)(a)(f)																
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 30%;">Type of Claim</th> <th style="width: 30%;">Estimated Claim</th> <th style="width: 30%;">Reimbursement Claim</th> </tr> <tr> <td>(03) Estimated <input checked="" type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> <td>(26) EFCW-1, (04)(B)(1)(b)(f)</td> </tr> <tr> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td>(27) EFCW-1, (04)(B)(2)(a)(f) 1,798</td> </tr> <tr> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> <td>(28) EFCW-1, (04)(B)(2)(b)(f) 74,238</td> </tr> <tr> <td></td> <td></td> <td>(29) EFCW-1, (04)(B)(2)(c)(f) 141</td> </tr> </table>			Type of Claim	Estimated Claim	Reimbursement Claim	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f) 1,798	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 74,238			(29) EFCW-1, (04)(B)(2)(c)(f) 141		
Type of Claim	Estimated Claim	Reimbursement Claim																	
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)																	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f) 1,798																	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 74,238																	
		(29) EFCW-1, (04)(B)(2)(c)(f) 141																	
Fiscal Year of cost (06) 2006-2007			(12) 2005-2006		(30) EFCW-1, (06) 36														
Total Claimed Amount (07) \$ 280,400			(13) \$ 254,975		(31) EFCW-1, (07) 109,354														
Less : 10% Late Penalty			(14) \$ -		(32) EFCW-1, (09) 78,790														
Less : Prior Claim Payment Received			(15) \$ -		(33) EFCW-1, (10) 76,176														
Net Claimed Amount			(16) \$ 254,975		(34)														
Due from State (08) \$ 280,400			(17) \$ 254,975		(35)														
Due to State			(18)		(36)														
(37) CERTIFICATION OF CLAIM In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive. I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant. The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.																			
Signature of Authorized Officer (USE BLUE INK) 				Date 11/9/07															
Teresa Scott _____ Type or Print Name				Vice Chancellor, Fiscal Services _____ Title															
(38) Name of Contact Person for Claim SixTen and Associates				Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com															

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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Claimant: Semite Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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Leave Blank

Reimbursable Components	Object Accounts					
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

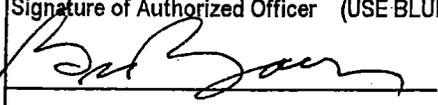
2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 224,411.14	\$ -	\$ -	\$ -	\$ -	\$ 224,411.14

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 1,797.58	\$ -	\$ -	\$ -	\$ -	\$ 1,797.58
b. Waiving student fees	\$ 74,237.78	\$ -	\$ -	\$ -	\$ -	\$ 74,237.78
c. Reporting BOG fee waiver data to CCC	\$ 140.88	\$ -	\$ -	\$ -	\$ -	\$ 140.88
5) Total Direct Costs	\$ 300,587.38	\$ -	\$ -	\$ -	\$ -	\$ 300,587.38

direct Costs	
6) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%] 36.38%
7) Total Indirect Costs	[Line (06) x line (05)(a)] \$ 109,353.69
8) Total Direct and Indirect Costs	[Line (05)(f) + line (07)] \$ 409,941.07

Cost Reduction	
9) Less: Enrollment Fee Revenue offset	\$ 78,790.00
10) Less: Enrollment Fee Waiver offsets	\$ 76,176.24
11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}] \$ 254,974.83

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only	
			(19) Program Number 00267	Program 267
			(20) Date Filed ___/___/___	
			(21) LRS Input ___/___/___	
(01) Claimant Identification Number: CC36175			Reimbursement Claim Data	
(02) Claimant Name Victor Valley Community College District			(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location San Bernardino			(23) EFCW-1, (04)(A)(1)(b)(f)	4,949
Street Address or P.O. Box 18422 Bear Valley Road			(24) EFCW-1, (04)(A)(2)(a)(f)	235,987
City Victorville State CA Zip Code 92392-5849			(25) EFCW-1, (04)(B)(1)(a)(f)	
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	1,547
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	51,487
	(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	2,866
Fiscal Year of cost	(06)	(12) 2005-2006	(30) EFCW-1, (06)	47
Total Claimed Amount	(07)	(13) \$ 308,792	(31) EFCW-1, (07)	138,027
Less: 10% Late Penalty		(14) \$ 10,000	(32) EFCW-1, (09)	70,171
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	55,901
Net Claimed Amount		(16) \$ 298,792	(34)	
Due from State	(08)	(17) \$ 298,792	(35)	
Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.				
I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer (USE BLUE INK)			Date	
			10-11-07	
Bruce Baron			Vice President, Administrative Services	
Type or Print Name			Title	
(38) Name of Contact Person for Claim				
SixTen and Associates			Telephone Number: (858) 514-8605	
			E-mail Address: kbpsixten@aol.com	

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant Victor Valley Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-2006
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 4,948.80	\$ -	\$ -	\$ -	\$ -	\$ 4,948.80

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 235,986.64	\$ -	\$ -	\$ -	\$ -	\$ 235,986.64

B. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 1,098.38	\$ -	\$ -	\$ -	\$ 449.00	\$ 1,547.38

B. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 51,487.13	\$ -	\$ -	\$ -	\$ -	\$ 51,487.13
c. Reporting BOG fee waiver data to CCC	\$ 2,866.20	\$ -	\$ -	\$ -	\$ -	\$ 2,866.20
15) Total Direct Costs	\$ 296,387.15	\$ -	\$ -	\$ -	\$ 449.00	\$ 296,836.15

Indirect Costs						
16) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					46.57%
7) Total Indirect Costs	[Line (06) x line (05)(e)]					\$ 138,027.50
8) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 434,863.65

Cost Reduction						
9) Less: Enrollment Fee Revenue offset						\$ 70,171.00
10) Less: Enrollment Fee Waiver offsets						\$ 55,900.71
11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]					\$ 308,791.94

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC19080	Reimbursement Claim Data
(02) Claimant Name: Cerritos Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)
County of Location: Los Angeles	(23) EFCW-1, (04)(A)(1)(b)(f)
Street Address or P.O. Box: 11110 Alondra Boulevard	(24) EFCW-1, (04)(A)(2)(a)(f) 345,625
City: Norwalk State: CA Zip Code: 90650	(25) EFCW-1, (04)(B)(1)(a)(f)

Type of Claim	Estimated Claim	Reimbursement Claim	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
	(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 84,657
			(29) EFCW-1, (04)(B)(2)(c)(f)
Fiscal Year of cost	(06)	(12) 2006-2007	(30) EFCW-1, (06) 35
Total Claimed Amount	(07)	(13) \$ 390,418	(31) EFCW-1, (07) 148,792
Less: 10% Late Penalty, not to exceed \$10,000		(14) \$ 10,000	(32) EFCW-1, (09) 103,999
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10) 84,657
Net Claimed Amount		(16) \$ 380,418	(34)
Due from State	(08)	(17) \$ 380,418	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

Berlanti "Lola" Rizkallah 1/28/09

Berlanti "Lola" Rizkallah Director of Fiscal Services

Type or Print Name Title

(38) Name of Contact Person for Claim

SixTen and Associates Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: Morris Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 345,625.43	\$ -	\$ -	\$ -	\$ -	\$ 345,625.43
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Waiving student fees	\$ 84,657.02	\$ -	\$ -	\$ -	\$ -	\$ 84,657.02
Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 430,282.45	\$ -	\$ -	\$ -	\$ -	\$ 430,282.45

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	34.58%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 148,791.67
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 579,074.12

Reduction		
Less: Enrollment Fee Revenue offset		\$ 103,999.00
Less: Enrollment Fee Waiver offsets		\$ 84,657.02
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 390,418.10

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC19090		Reimbursement Claim Data	
(02) Claimant Name Citrus Community College district		(22) EFCW-1, (04)(A)(1)(a)(f)	35,330
(03) County of Location Los Angeles		(23) EFCW-1, (04)(A)(1)(b)(f)	32,477
(04) Street Address or P.O. Box 1000 West Foothill Boulevard		(24) EFCW-1, (04)(A)(2)(a)(f)	159,428
(05) City Glendora	(05) State CA	(05) Zip Code 91741-1899	(25) EFCW-1, (04)(B)(1)(a)(f) 193
Type of Claim (03) Estimated <input type="checkbox"/> (04) Combined <input type="checkbox"/> (05) Amended <input type="checkbox"/>	Estimated Claim (09) Reimbursement <input type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	193
		(27) EFCW-1, (04)(B)(2)(a)(f)	1,932
		(28) EFCW-1, (04)(B)(2)(b)(f)	122,010
		(29) EFCW-1, (04)(B)(2)(c)(f)	
(06) Fiscal Year of cost	(06) 2006-2007	(12) (30) EFCW-1, (06)	52
(07) Total Claimed Amount	(13) \$ 359,368	(31) EFCW-1, (07)	184,430
Less: 10% Late Penalty, not to exceed \$10,000	(14) \$ 10,000	(32) EFCW-1, (09)	52,906
Less: Prior Claim Payment Received	(15) \$ -	(33) EFCW-1, (10)	123,718
(16) Net Claimed Amount	(16) \$ 349,368	(34)	
(08) Due from State	(17) \$ 349,368	(35)	
Due to State	(18)	(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

Carol R. Horton 1/28/09

Carol R. Horton Vice President, Financial and Administrative Services

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(1) Claimant: Citrus Community College district	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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(3) Leave Blank

Direct Costs	Object Accounts					
4) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 35,329.76	\$ -	\$ -	\$ -	\$ -	\$ 35,329.76
b. Staff training (One time per employee)	\$ 32,476.87	\$ -	\$ -	\$ -	\$ -	\$ 32,476.87

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 159,428.41	\$ -	\$ -	\$ -	\$ -	\$ 159,428.41

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 192.98	\$ -	\$ -	\$ -	\$ -	\$ 192.98
b. Staff training (One time per employee)	\$ 192.98	\$ -	\$ -	\$ -	\$ -	\$ 192.98

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 1,931.59	\$ -	\$ -	\$ -	\$ -	\$ 1,931.59
b. Waiving student fees	\$ 122,009.60	\$ -	\$ -	\$ -	\$ -	\$ 122,009.60
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 351,562.19	\$ -	\$ -	\$ -	\$ -	\$ 351,562.19

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	52.46%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 184,429.52
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 535,991.71

Reduction		
Less: Enrollment Fee Revenue offset		\$ 52,906.00
Less: Enrollment Fee Waiver offsets		\$ 123,717.76
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 359,367.95

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC19140	Reimbursement Claim Data	
(02) Claimant Name El Camino Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location Los Angeles	(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box 16007 Crenshaw Boulevard	(24) EFCW-1, (04)(A)(2)(a)(f)	345,336
City State Zip Code Torrance CA 90506-0002	(25) EFCW-1, (04)(B)(1)(a)(f)	511
Type of Claim	Estimated Claim	Reimbursement Claim
(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)
		(29) EFCW-1, (04)(B)(2)(c)(f)
Fiscal Year of cost	(06)	(12) 2006-2007
		(30) EFCW-1, (06)
Total Claimed Amount	(07)	(13) \$ 448,073
Less : 10% Late Penalty, not to exceed \$10,000	(14)	(31) EFCW-1, (07)
		\$ 10,000
Less : Prior Claim Payment Received	(15)	(32) EFCW-1, (09)
		\$.
Net Claimed Amount	(16)	(33) EFCW-1, (10)
		\$ 438,073
Due from State	(08)	(17) \$ 438,073
Due to State		(18)

(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

Janice Ely

11-12-2008

Janice Ely

Director of Accounting

Type or Print Name

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: Camino Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
(f) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 345,336.23	\$ -	\$ -	\$ -	\$ -	\$ 345,336.23
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 510.58	\$ -	\$ -	\$ -	\$ -	\$ 510.58
b. Staff training (One time per employee)	\$ 1,387.58	\$ -	\$ -	\$ -	\$ -	\$ 1,387.58

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 16,553.08	\$ -	\$ -	\$ -	\$ -	\$ 16,553.08
b. Waiving student fees	\$ 123,390.70	\$ -	\$ -	\$ -	\$ -	\$ 123,390.70
c. Reporting BOG fee waiver data to CCC	\$ 11,870.44	\$ -	\$ -	\$ -	\$ -	\$ 11,870.44
Total Direct Costs	\$ 499,048.61	\$ -	\$ -	\$ -	\$ -	\$ 499,048.61

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	35.65%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 177,910.83
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 676,959.44

Reduction

Less: Enrollment Fee Revenue offset	\$ 75,174.00
Less: Enrollment Fee Waiver offsets	\$ 153,712.38
Total Claimed Amount	\$ 448,073.06

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC43045	Reimbursement Claim Data	
(02) Claimant Name: Foothill-De Anza Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	465
County of Location: Santa Clara	(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 12345 El Monte Road	(24) EFCW-1, (04)(A)(2)(a)(f)	967,742
City: Los Altos Hills State: CA Zip Code: 94022	(25) EFCW-1, (04)(B)(1)(a)(f)	3,482
Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>
	(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>
(26) EFCW-1, (04)(B)(1)(b)(f)		1,131
(27) EFCW-1, (04)(B)(2)(a)(f)		11,793
(28) EFCW-1, (04)(B)(2)(b)(f)		169,798
(29) EFCW-1, (04)(B)(2)(c)(f)		4,202
Fiscal Year of cost	(06)	(12) 2006-2007
(30) EFCW-1, (06)		39
Total Claimed Amount	(07)	(13) \$ 1,341,331
(31) EFCW-1, (07)		457,073
Less: 10% Late Penalty, not to exceed \$10,000	(14)	(14) \$ 10,000
(32) EFCW-1, (09)		83,949
Less: Prior Claim Payment Received	(15)	(15) \$ -
(33) EFCW-1, (10)		190,406
Net Claimed Amount	(16)	(16) \$ 1,331,331
(34)		
Due from State	(08)	(17) \$ 1,331,331
(35)		
Due to State	(18)	(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

Andrew Dunn

1-29-09

Andrew Dunn

Vice Chancellor, Business Services

Type or Print Name

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: Cathlamet Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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2) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 465.12	\$ -	\$ -	\$ -	\$ -	\$ 465.12
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
c. Calculating and collecting enrollment fees	\$ 967,742.10	\$ -	\$ -	\$ -	\$ -	\$ 967,742.10

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
d. Preparing district policies & procedures for § IV.B.	\$ 3,482.25	\$ -	\$ -	\$ -	\$ -	\$ 3,482.25
e. Staff training (One time per employee)	\$ 1,131.06	\$ -	\$ -	\$ -	\$ -	\$ 1,131.06

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
f. Adopting procedures, recording, and maintaining records	\$ 11,792.87	\$ -	\$ -	\$ -	\$ -	\$ 11,792.87
g. Waiving student fees	\$ 169,797.83	\$ -	\$ -	\$ -	\$ -	\$ 169,797.83
h. Reporting BOG fee waiver data to CCC	\$ 4,202.32	\$ -	\$ -	\$ -	\$ -	\$ 4,202.32
Total Direct Costs	\$ 1,158,613.55	\$ -	\$ -	\$ -	\$ -	\$ 1,158,613.55

Indirect Costs						
i. Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					39.45%
j. Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 457,073.05
k. Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 1,615,686.60

Reduction						
l. Less: Enrollment Fee Revenue offset						\$ 83,949.00
m. Less: Enrollment Fee Waiver offsets						\$ 190,406.33
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]					\$ 1,341,331.27

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC43060 (02) Claimant Name: Gavilan Community College District County of Location: Santa Clara Street Address or P.O. Box: 5055 Santa Teresa Boulevard City: Gilroy State: CA Zip Code: 95020-9599	Reimbursement Claim Data (22) EFCW-1, (04)(A)(1)(a)(f) (23) EFCW-1, (04)(A)(1)(b)(f) (24) EFCW-1, (04)(A)(2)(a)(f) 125,693 (25) EFCW-1, (04)(B)(1)(a)(f)
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Type of Claim	Estimated Claim	Reimbursement Claim	
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	68,272
		(29) EFCW-1, (04)(B)(2)(c)(f)	1,201
Fiscal Year of cost	(06) 2007-2008	(12) 2006-2007	(30) EFCW-1, (06) 36
Total Claimed Amount	(07) \$ 189,400	(13) \$ 172,270	(31) EFCW-1, (07) 71,138
Less: 10% Late Penalty, not to exceed \$10,000		(14) \$ -	(32) EFCW-1, (09) 24,561
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10) 69,473
Net Claimed Amount		(16) \$ 172,270	(34)
Due from State	(08) \$ 189,400	(17) \$ 172,270	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

Joseph D Keeler 1-21-08

Joseph D. Keeler Vice President, Administrative Services

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Savilan Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year: 2006-2007
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 125,693.00	\$ -	\$ -	\$ -	\$ -	\$ 125,693.00
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 68,271.96	\$ -	\$ -	\$ -	\$ -	\$ 68,271.96
c. Reporting BOG fee waiver data to CCC	\$ 1,201.44	\$ -	\$ -	\$ -	\$ -	\$ 1,201.44

5) Total Direct Costs	\$ 195,166.40	\$ -	\$ -	\$ -	\$ -	\$ 195,166.40
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Indirect Costs

3) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	36.45%
7) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 71,138.15
3) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 266,304.55

Cost Reduction

6) Less: Enrollment Fee Revenue offset	\$ 24,561.00	
9) Less: Enrollment Fee Waiver offsets	\$ 69,473.40	
1) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 172,270.15

CLAIM FOR PAYMENT
 Pursuant to Government Code Section 17561
ENROLLMENT FEE COLLECTION AND WAIVERS

For State Controller Use Only
 (19) Program Number 00267
 (20) Date Filed ___/___/___
 (21) LRS Input ___/___/___

Program
267

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(01) Claimant Identification Number: CC15095		Reimbursement Claim Data	
(02) Claimant Name: Kern Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: Kern		(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 2100 Chester Avenue		(24) EFCW-1, (04)(A)(2)(a)(f)	713,809
City: Bakersfield	State: CA	Zip Code: 93301	(25) EFCW-1, (04)(B)(1)(a)(f)
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)
(03) Estimated <input type="checkbox"/>	(04) Combined <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
(05) Amended <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)
			185,551
(06) Fiscal Year of cost	(12) 2006-2007	(30) EFCW-1, (06)	42
(07) Total Claimed Amount	(13) \$ 958,210	(31) EFCW-1, (07)	380,699
Less: 10% Late Penalty, not to exceed \$10,000	(14) \$ 10,000	(32) EFCW-1, (09)	136,298
Less: Prior Claim Payment Received	(15) \$ -	(33) EFCW-1, (10)	185,551
Net Claimed Amount	(16) \$ 948,210	(34)	
(08) Due from State	(17) \$ 948,210	(35)	
Due to State	(18)	(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)


Date
 2/2/09

Thomas Burke
 Type or Print Name

Chief Financial Officer
 Title

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(1) Claimant: San Diego Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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(3) Leave Blank

Object Costs	Object Accounts					
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
Calculating and collecting enrollment fees	\$ 713,808.96	\$ -	\$ -	\$ -	\$ -	\$ 713,808.96

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Waiving student fees	\$ 185,551.02	\$ -	\$ -	\$ -	\$ -	\$ 185,551.02
Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 899,359.98	\$ -	\$ -	\$ -	\$ -	\$ 899,359.98

Object Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	42.33%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 380,699.08
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,280,059.06

Reduction		
Less: Enrollment Fee Revenue offset		\$ 136,298.00
Less: Enrollment Fee Waiver offsets		\$ 185,551.02
Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]	\$ 958,210.04

<p>CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS</p>	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	<p>Program 267</p>
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(01) Claimant Identification Number: CC19250 (02) Claimant Name: Long Beach Community College District County of Location: Los Angeles Street Address or P.O. Box: 4901 East Carson Street City: Long Beach State: CA Zip Code: 90808	<p>Reimbursement Claim Data</p> (22) EFCW-1, (04)(A)(1)(a)(f) (23) EFCW-1, (04)(A)(1)(b)(f) (24) EFCW-1, (04)(A)(2)(a)(f) 198,025 (25) EFCW-1, (04)(B)(1)(a)(f) 22 (26) EFCW-1, (04)(B)(1)(b)(f) (27) EFCW-1, (04)(B)(2)(a)(f) (28) EFCW-1, (04)(B)(2)(b)(f) 106,385 (29) EFCW-1, (04)(B)(2)(c)(f) 1,110 (30) EFCW-1, (06) 33 (31) EFCW-1, (07) 99,912 (32) EFCW-1, (09) 146,652 (33) EFCW-1, (10) 107,517 (34) (35) (36)															
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:33%;">Type of Claim</th> <th style="width:33%;">Estimated Claim</th> <th style="width:33%;">Reimbursement Claim</th> </tr> <tr> <td>(03) Estimated <input checked="" type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> <td>(26) EFCW-1, (04)(B)(1)(b)(f)</td> </tr> <tr> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td>(27) EFCW-1, (04)(B)(2)(a)(f)</td> </tr> <tr> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> <td>(28) EFCW-1, (04)(B)(2)(b)(f) 106,385</td> </tr> <tr> <td></td> <td></td> <td>(29) EFCW-1, (04)(B)(2)(c)(f) 1,110</td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 106,385			(29) EFCW-1, (04)(B)(2)(c)(f) 1,110	
Type of Claim	Estimated Claim	Reimbursement Claim														
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)														
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)														
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 106,385														
		(29) EFCW-1, (04)(B)(2)(c)(f) 1,110														
Fiscal Year of cost: (06) 2007-2008 Total Claimed Amount: (07) \$ 166,400 Less: 10% Late Penalty, not to exceed \$10,000 Less: Prior Claim Payment Received Net Claimed Amount Due from State: (08) \$ 166,400 Due to State	(12) 2006-2007 (13) \$ 151,285 (14) \$ - (15) \$ - (16) \$ 151,285 (17) \$ 151,285 (18)															

(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
12/20/07

Irma Ramos Administrative Dean, Human Resources
 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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: Long Beach Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 198,024.87	\$ -	\$ -	\$ -	\$ -	\$ 198,024.87
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 22.19	\$ -	\$ -	\$ -	\$ -	\$ 22.19
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 106,384.75	\$ -	\$ -	\$ -	\$ -	\$ 106,384.75
c. Reporting BOG fee waiver data to CCC	\$ 1,109.60	\$ -	\$ -	\$ -	\$ -	\$ 1,109.60
(5) Total Direct Costs	\$ 305,541.41	\$ -	\$ -	\$ -	\$ -	\$ 305,541.41

Indirect Costs						
(6) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					32.70%
(7) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 99,912.04
(8) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 405,453.45

Cost Reduction						
(9) Less: Enrollment Fee Revenue offset						\$ 146,652.00
(10) Less: Enrollment Fee Waiver offsets						\$ 107,516.54
(11) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]					\$ 151,284.91

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed ___/___/___	
	(21) LRS Input ___/___/___	

LABEL HERE

(01) Claimant Identification Number: CC34050	
(02) Claimant Name Los Rios Community College District	
County of Location Sacramento	
Street Address or P.O. Box 1919 Spanos Court	
City Sacramento	State CA
	Zip Code 95825

Reimbursement Claim Data	
(22) EFCW-1, (04)(A)(1)(a)(f)	151
(23) EFCW-1, (04)(A)(1)(b)(f)	2,646
(24) EFCW-1, (04)(A)(2)(a)(f)	951,210
(25) EFCW-1, (04)(B)(1)(a)(f)	686
(26) EFCW-1, (04)(B)(1)(b)(f)	7,681
(27) EFCW-1, (04)(B)(2)(a)(f)	14,569
(28) EFCW-1, (04)(B)(2)(b)(f)	443,101
(29) EFCW-1, (04)(B)(2)(c)(f)	1,114
(30) EFCW-1, (06)	38
(31) EFCW-1, (07)	527,099
(32) EFCW-1, (09)	291,730
(33) EFCW-1, (10)	465,151
(34)	
(35)	
(36)	

Type of Claim	Estimated Claim	Reimbursement Claim	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)
			(29) EFCW-1, (04)(B)(2)(c)(f)
Fiscal Year of cost	(06)	(12) 2006-2007	(30) EFCW-1, (06)
Total Claimed Amount	(07)	(13) \$ 1,191,376	(31) EFCW-1, (07)
Less: 10% Late Penalty, not to exceed \$10,000		(14) \$ 10,000	(32) EFCW-1, (09)
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)
Net Claimed Amount		(16) \$ 1,181,376	(34)
Due from State	(08)	(17) \$ 1,181,376	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)	Date
	1/19/09

Jon Sharpe	Deputy Chancellor
Type or Print Name	Title

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: Santos Rios Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 151.27	\$ -	\$ -	\$ -	\$ -	\$ 151.27
b. Staff training (One time per employee)	\$ 2,646.26	\$ -	\$ -	\$ -	\$ -	\$ 2,646.26
2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 930,190.37	\$ -	\$ 21,019.19	\$ -	\$ -	\$ 951,209.56
1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 686.31	\$ -	\$ -	\$ -	\$ -	\$ 686.31
b. Staff training (One time per employee)	\$ 7,680.79	\$ -	\$ -	\$ -	\$ -	\$ 7,680.79
2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 14,569.29	\$ -	\$ -	\$ -	\$ -	\$ 14,569.29
b. Waiving student fees	\$ 441,100.56	\$ -	\$ 2,000.00	\$ -	\$ -	\$ 443,100.56
c. Reporting BOG fee waiver data to CCC	\$ 1,114.48	\$ -	\$ -	\$ -	\$ -	\$ 1,114.48
Total Direct Costs	\$ 1,398,139.33	\$ -	\$ 23,019.19	\$ -	\$ -	\$ 1,421,158.52

Indirect Costs	
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%] 37.70%
Total Indirect Costs	[Line (06) x line (05)(a)] \$ 527,098.53
Total Direct and Indirect Costs	[Line (05)(f) + line (07)] \$ 1,948,257.05
Reduction	
Less: Enrollment Fee Revenue offset	\$ 291,730.00
Less: Enrollment Fee Waiver offsets	\$ 465,151.43
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}] \$ 1,191,375.62

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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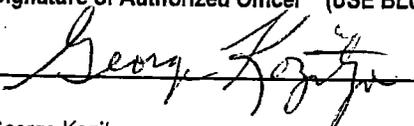
(01) Claimant Identification Number: CC33075		Reimbursement Claim Data	
(02) Claimant Name: Mt. San Jacinto Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	76,453
County of Location: Riverside		(23) EFCW-1, (04)(A)(1)(b)(f)	28,483
Street Address or P.O. Box: 1499 N. State Street		(24) EFCW-1, (04)(A)(2)(a)(f)	163,424
City: San Jacinto	State: CA	Zip Code: 92583-2399	(25) EFCW-1, (04)(B)(1)(a)(f) 41,910
Type of Claim (03) Estimated <input type="checkbox"/> (04) Combined <input type="checkbox"/> (05) Amended <input type="checkbox"/>	Reimbursement Claim		(26) EFCW-1, (04)(B)(1)(b)(f) 15,326
	(09) Reimbursement <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f) 40,946
	(11) Amended <input checked="" type="checkbox"/>		(28) EFCW-1, (04)(B)(2)(b)(f) 139,458
			(29) EFCW-1, (04)(B)(2)(c)(f) 45,527
Fiscal Year of cost: (06)	(12) 2006-2007	(30) EFCW-1, (06)	39
Total Claimed Amount: (07)	(13) \$ 491,477	(31) EFCW-1, (07)	157,480
Less: 10% Late Penalty, not to exceed \$10,000	(14) \$ 10,000	(32) EFCW-1, (09)	52,864
Less: Prior Claim Payment Received	(15) \$	(33) EFCW-1, (10)	164,666
Net Claimed Amount	(16) \$ 481,477	(34)	
Due from State: (08)	(17) \$ 481,477	(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)  _____ George Kozitza Type or Print Name	Date _____ 7/28/09 Vice President, Business Services Title
(38) Name of Contact Person for Claim SixTen and Associates Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com	

Program
267

MANDATED COSTS
ENROLLMENT FEE COLLECTION AND WAIVERS
CLAIM SUMMARY

FORM
EFCW-1

(1) Claimant: t. San Jacinto Community College District		(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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(3) Leave Blank

Direct Costs	Object Accounts					
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 76,453.49	\$ -	\$ -	\$ -	\$ -	\$ 76,453.49
b. Staff training (One time per employee)	\$ 28,483.04	\$ -	\$ -	\$ -	\$ -	\$ 28,483.04
2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 67,267.96	\$ 96,155.99	\$ -	\$ -	\$ -	\$ 163,423.95
1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 41,910.03	\$ -	\$ -	\$ -	\$ -	\$ 41,910.03
b. Staff training (One time per employee)	\$ 15,325.83	\$ -	\$ -	\$ -	\$ -	\$ 15,325.83
2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
i. Adopting procedures, recording, and maintaining records	\$ 40,945.64	\$ -	\$ -	\$ -	\$ -	\$ 40,945.64
ii. Waiving student fees	\$ 83,783.85	\$ 55,674.00	\$ -	\$ -	\$ -	\$ 139,457.85
iii. Reporting BOG fee waiver data to CCC	\$ 45,526.56	\$ -	\$ -	\$ -	\$ -	\$ 45,526.56
Total Direct Costs	\$ 399,696.40	\$ 151,829.99	\$ -	\$ -	\$ -	\$ 551,526.39

Indirect Costs	
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%] 39.40%
Total Indirect Costs	[Line (06) x line (05)(a)] \$ 157,480.38
Total Direct and Indirect Costs	[Line (05)(f) + line (07)] \$ 709,006.77
Reduction	
Less: Enrollment Fee Revenue offset	\$ 52,864.00
Less: Enrollment Fee Waiver offsets	\$ 164,666.00
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}] \$ 491,476.77

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC30105 (02) Claimant Name: North Orange County Community College District County of Location: Orange Street Address or P.O. Box: 1830 West Romneya Drive City: Anaheim State: CA Zip Code: 92801-1819	Reimbursement Claim Data (22) EFCW-1, (04)(A)(1)(a)(f) 72 (23) EFCW-1, (04)(A)(1)(b)(f) 4,313 (24) EFCW-1, (04)(A)(2)(a)(f) 938,842 (25) EFCW-1, (04)(B)(1)(a)(f) (26) EFCW-1, (04)(B)(1)(b)(f) 389 (27) EFCW-1, (04)(B)(2)(a)(f) (28) EFCW-1, (04)(B)(2)(b)(f) 279,745 (29) EFCW-1, (04)(B)(2)(c)(f) 3,497 (30) EFCW-1, (06) 30 (31) EFCW-1, (07) 361,923 (32) EFCW-1, (09) 133,267 (33) EFCW-1, (10) 283,631 (34) (35) (36) 																
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width: 20%;">Type of Claim</th> <th style="width: 20%;">Estimated Claim</th> <th style="width: 20%;">Reimbursement Claim</th> <th style="width: 40%;"></th> </tr> <tr> <td>(03) Estimated</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>(09) Reimbursement</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>(04) Combined</td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(10) Combined</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>(05) Amended</td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(11) Amended</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim		(03) Estimated	<input checked="" type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>	(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>	(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>	
Type of Claim	Estimated Claim	Reimbursement Claim															
(03) Estimated	<input checked="" type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>														
(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>														
(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>														
Fiscal Year of cost: (06) 2007-2008 (12) 2006-2007 Total Claimed Amount: (07) \$ 1,289,000 (13) \$ 1,171,883 Less: 10% Late Penalty, not to exceed \$10,000 (14) \$ - Less: Prior Claim Payment Received (15) \$ - Net Claimed Amount (16) \$ 1,171,883 Due from State: (08) \$ 1,289,000 (17) \$ 1,171,883 Due to State (18) 																	

(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) Claudette Dain Type or Print Name	Date 1/24/08 District Director, Fiscal Affairs Title
(38) Name of Contact Person for Claim SixTen and Associates Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com	

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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01) Claimant: North Orange County Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 71.89	\$ -	\$ -	\$ -	\$ -	\$ 71.89
b. Staff training (One time per employee)	\$ 4,313.40	\$ -	\$ -	\$ -	\$ -	\$ 4,313.40

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 938,841.50	\$ -	\$ -	\$ -	\$ -	\$ 938,841.50
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 388.56	\$ -	\$ -	\$ -	\$ -	\$ 388.56

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 279,745.12	\$ -	\$ -	\$ -	\$ -	\$ 279,745.12
c. Reporting BOG fee waiver data to CCC	\$ 3,497.04	\$ -	\$ -	\$ -	\$ -	\$ 3,497.04

5) Total Direct Costs	\$ 1,226,857.51	\$ -	\$ -	\$ -	\$ -	\$ 1,226,857.51
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Direct Costs

6) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	29.50%
7) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 361,922.97
8) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,588,780.48

Cost Reduction

9) Less: Enrollment Fee Revenue offset	\$ 133,267.00
10) Less: Enrollment Fee Waiver offsets	\$ 283,630.72
11) Total Claimed Amount	\$ 1,171,882.76

CLAIM FOR PAYMENT
 Pursuant to Government Code Section 17561
ENROLLMENT FEE COLLECTION AND WAIVERS

For State Controller Use Only
 (19) Program Number 00267
 (20) Date Filed ___/___/___
 (21) LRS Input ___/___/___

Program
267

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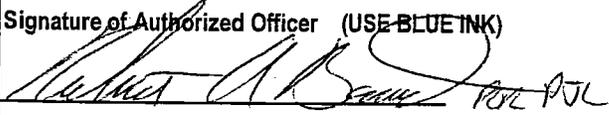
(01) Claimant Identification Number: CC37140		Reimbursement Claim Data	
(02) Claimant Name: Palomar Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: San Diego		(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 1140 West Mission Road		(24) EFCW-1, (04)(A)(2)(a)(f)	1,108,900
City: San Marcos	State: CA	Zip Code: 92069-1487	(25) EFCW-1, (04)(B)(1)(a)(f)
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)
Fiscal Year of cost	(06)	(12) 2006-2007	(30) EFCW-1, (06)
Total Claimed Amount	(07)	(13) \$ 1,401,027	(31) EFCW-1, (07)
Less: 10% Late Penalty, not to exceed \$10,000		(14) \$ 10,000	(32) EFCW-1, (09)
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)
Net Claimed Amount		(16) \$ 1,391,027	(34)
Due from State	(08)	(17) \$ 1,391,027	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)


Date
 2/18/09

Phyllis Laderman
 Type or Print Name

Director, Fiscal Services
 Title

(38) Name of Contact Person for Claim

SixTen and Associates

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: Comar Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

1. Calculating and collecting enrollment fees	\$ 1,108,899.53	\$ -	\$ -	\$ -	\$ -	\$ 1,108,899.53
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Waiving student fees	\$ 105,520.93	\$ -	\$ -	\$ -	\$ -	\$ 105,520.93
Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 1,214,420.46	\$ -	\$ -	\$ -	\$ -	\$ 1,214,420.46

Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	28.44%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 345,381.18
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,559,801.64

Reduction	
Less: Enrollment Fee Revenue offset	\$ 53,254.00
Less: Enrollment Fee Waiver offsets	\$ 105,520.93
Total Claimed Amount	\$ 1,401,026.71

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed ___/___/___	
	(21) LRS Input ___/___/___	

(01) Claimant Identification Number: CC19335 (02) Claimant Name: Pasadena Area Community College District County of Location: Los Angeles Street Address or P.O. Box: 1570 East Colorado Boulevard City: Pasadena State: CA Zip Code: 91106-2003	Reimbursement Claim Data																				
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width: 30%;">Type of Claim</th> <th style="width: 20%;">Estimated Claim</th> <th style="width: 20%;">Reimbursement Claim</th> <th style="width: 30%;"></th> </tr> <tr> <td>(03) Estimated <input checked="" type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> <td>(26) EFCW-1, (04)(B)(1)(b)(f)</td> <td></td> </tr> <tr> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td>(27) EFCW-1, (04)(B)(2)(a)(f)</td> <td style="text-align: right;">35,307</td> </tr> <tr> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> <td>(28) EFCW-1, (04)(B)(2)(b)(f)</td> <td style="text-align: right;">89,459</td> </tr> <tr> <td></td> <td></td> <td>(29) EFCW-1, (04)(B)(2)(c)(f)</td> <td></td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim		(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	35,307	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	89,459			(29) EFCW-1, (04)(B)(2)(c)(f)		(22) EFCW-1, (04)(A)(1)(a)(f) 9,831 (23) EFCW-1, (04)(A)(1)(b)(f) 445 (24) EFCW-1, (04)(A)(2)(a)(f) 132,079 (25) EFCW-1, (04)(B)(1)(a)(f)
Type of Claim	Estimated Claim	Reimbursement Claim																			
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)																			
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	35,307																		
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	89,459																		
		(29) EFCW-1, (04)(B)(2)(c)(f)																			
Fiscal Year of cost: (06) 2007-2008 (12) 2006-2007 Total Claimed Amount: (07) \$ 95,000 (13) \$ 86,386 Less: 10% Late Penalty, not to exceed \$10,000 (14) \$ - Less: Prior Claim Payment Received (15) \$ - Net Claimed Amount (16) \$ 86,386 Due from State (08) \$ 95,000 (17) \$ 86,386 Due to State (18)	(30) EFCW-1, (06) 33 (31) EFCW-1, (07) 87,616 (32) EFCW-1, (09) 143,585 (33) EFCW-1, (10) 124,766 (34) (35) (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 _____

Kindred Murillo _____ Vice President, Administrative Services
 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

Program
267

MANDATED COSTS
ENROLLMENT FEE COLLECTION AND WAIVERS
CLAIM SUMMARY

FORM
EFCW-1

(01) Claimant: Pasadena Area Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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(03) Leave Blank

Direct Costs	Object Accounts					
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 9,831.15	\$ -	\$ -	\$ -	\$ -	\$ 9,831.15
b. Staff training (One time per employee)	\$ 445.06	\$ -	\$ -	\$ -	\$ -	\$ 445.06

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 132,078.76	\$ -	\$ -	\$ -	\$ -	\$ 132,078.76
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3. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

3. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 35,307.21	\$ -	\$ -	\$ -	\$ -	\$ 35,307.21
b. Waiving student fees	\$ 89,459.13	\$ -	\$ -	\$ -	\$ -	\$ 89,459.13
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

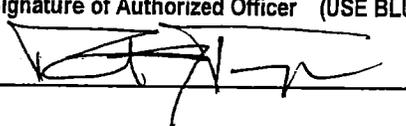
15) Total Direct Costs	\$ 267,121.31	\$ -	\$ -	\$ -	\$ -	\$ 267,121.31
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Indirect Costs

16) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	32.80%
17) Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 87,615.79
18) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 354,737.10

Cost Reduction

9) Less: Enrollment Fee Revenue offset	\$ 143,585.00
10) Less: Enrollment Fee Waiver offsets	\$ 124,766.34
1) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}] \$ 86,385.76

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS			For State Controller Use Only	Program 267												
(01) Claimant Identification Number: CC36150			(19) Program Number 00267													
(02) Claimant Name: San Bernardino Community College District			(20) Date Filed: <u> </u> / <u> </u> / <u> </u>													
County of Location: San Bernardino			(21) LRS Input: <u> </u> / <u> </u> / <u> </u>													
Street Address or P.O. Box: 114 South Del Rosa Drive			Reimbursement Claim Data													
City: San Bernardino State: CA Zip Code: 92408			(22) EFCW-1, (04)(A)(1)(a)(f)													
			(23) EFCW-1, (04)(A)(1)(b)(f)													
			(24) EFCW-1, (04)(A)(2)(a)(f)	754,256												
			(25) EFCW-1, (04)(B)(1)(a)(f)													
			(26) EFCW-1, (04)(B)(1)(b)(f)													
<table border="0" style="width:100%;"> <tr> <td style="width:33%;">Type of Claim</td> <td style="width:33%;">Estimated Claim</td> <td style="width:33%;">Reimbursement Claim</td> </tr> <tr> <td>(03) Estimated <input type="checkbox"/></td> <td>(09) Reimbursement <input type="checkbox"/></td> <td>(27) EFCW-1, (04)(B)(2)(a)(f)</td> </tr> <tr> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td>(28) EFCW-1, (04)(B)(2)(b)(f)</td> </tr> <tr> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input checked="" type="checkbox"/></td> <td>(29) EFCW-1, (04)(B)(2)(c)(f)</td> </tr> </table>			Type of Claim	Estimated Claim	Reimbursement Claim	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)		41,175
Type of Claim	Estimated Claim	Reimbursement Claim														
(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)														
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)														
(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)														
Fiscal Year of cost: (06) (12) 2006-2007			(30) EFCW-1, (06)	54												
Total Claimed Amount: (07) (13) \$ 1,076,448			(31) EFCW-1, (07)	428,976												
Less: 10% Late Penalty, not to exceed \$10,000 (14) \$ 10,000			(32) EFCW-1, (09)	106,784												
Less: Prior Claim Payment Received (15) \$ -			(33) EFCW-1, (10)	41,175												
Net Claimed Amount (16) \$ 1,066,448			(34)													
Due from State: (08) (17) \$ 1,066,448			(35)													
Due to State: (18)			(36)													
(37) CERTIFICATION OF CLAIM																
<p>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.</p> <p>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.</p> <p>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.</p>																
Signature of Authorized Officer (USE BLUE INK)			Date													
			1/28/09													
Robert Temple			Vice Chancellor, Fiscal Services													
Type or Print Name			Title													
(38) Name of Contact Person for Claim																
SixTen and Associates			Telephone Number: (858) 514-8605													
			E-mail Address: kbpsixten@aol.com													

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: in Bernardino Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 754,255.92	\$ -	\$ -	\$ -	\$ -	\$ 754,255.92
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Waiving student fees	\$ 41,174.69	\$ -	\$ -	\$ -	\$ -	\$ 41,174.69
Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 795,430.61	\$ -	\$ -	\$ -	\$ -	\$ 795,430.61

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	53.93%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 428,975.73
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,224,406.34

Reduction		
Less: Enrollment Fee Revenue offset		\$ 106,784.00
Less: Enrollment Fee Waiver offsets		\$ 41,174.69
Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]	\$ 1,076,447.65

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed ___/___/___	
	(21) LRS Input ___/___/___	

(01) Claimant Identification Number: CC41100	Reimbursement Claim Data	
(02) Claimant Name: San Mateo County Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: San Mateo	(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 3401 CSM Drive	(24) EFCW-1, (04)(A)(2)(a)(f)	542,963
City: San Mateo State: CA Zip Code: 94402	(25) EFCW-1, (04)(B)(1)(a)(f)	
Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>
(06) Fiscal Year of cost: 2006-2007	(12)	(26) EFCW-1, (04)(B)(1)(b)(f)
(07) Total Claimed Amount	(13) \$ 610,888	(27) EFCW-1, (04)(B)(2)(a)(f)
Less: 10% Late Penalty, not to exceed \$10,000	(14) \$ 10,000	(28) EFCW-1, (04)(B)(2)(b)(f)
Less: Prior Claim Payment Received	(15) \$ -	(29) EFCW-1, (04)(B)(2)(c)(f)
(16) Net Claimed Amount	(16) \$ 600,888	171,545
(08) Due from State	(17) \$ 600,888	(30) EFCW-1, (06)
Due to State	(18)	30

(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

Kathy Blackwood 1/28/09

Kathy Blackwood Chief Financial Officer

Type or Print Name Title

(38) Name of Contact Person for Claim

SixTen and Associates Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: in Mateo County Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 311,115.76	\$ -	\$ 231,847.35	\$ -	\$ -	\$ 542,963.11
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 171,544.61	\$ -	\$ -	\$ -	\$ -	\$ 171,544.61
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 482,660.37	\$ -	\$ 231,847.35	\$ -	\$ -	\$ 714,507.72

Indirect Costs						
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]				30.00%	
Total Indirect Costs	[Line (06) x line (05)(a)]				\$ 144,798.11	
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]				\$ 859,305.83	

Reduction						
Less: Enrollment Fee Revenue offset					\$ 76,873.00	
Less: Enrollment Fee Waiver offsets					\$ 171,544.61	
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]				\$ 610,888.22	

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> </u> / <u> </u> / <u> </u>	
	(21) LRS Input <u> </u> / <u> </u> / <u> </u>	

LABEL HERE

(01) Claimant Identification Number: CC31090		Reimbursement Claim Data	
(02) Claimant Name: Sierra Joint Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: Placer		(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 5000 Rocklin Road		(24) EFCW-1, (04)(A)(2)(a)(f)	266,994
City: Rocklin	State: CA	Zip Code: 95677	(25) EFCW-1, (04)(B)(1)(a)(f) 136
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f) 337
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f) 591
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f) 118,862
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f) 1,699
Fiscal Year of cost	(06) 2007-2008	(12) 2006-2007	(30) EFCW-1, (06) 38
Total Claimed Amount	(07) \$ 391,400	(13) \$ 355,835	(31) EFCW-1, (07) 149,579
Less: 10% Late Penalty, not to exceed \$10,000		(14) \$ -	(32) EFCW-1, (09) 60,738
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10) 121,625
Net Claimed Amount		(16) \$ 355,835	(34)
Due from State	(08) \$ 391,400	(17) \$ 355,835	(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) _____ Joyce Lopes Type or Print Name	Date 1/9/8 _____ Director of Finance Title
(38) Name of Contact Person for Claim SixTen and Associates Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com	

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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01) Claimant: Sierra Joint Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 266,993.86	\$ -	\$ -	\$ -	\$ -	\$ 266,993.86

1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 135.62	\$ -	\$ -	\$ -	\$ -	\$ 135.62
b. Staff training (One time per employee)	\$ 336.96	\$ -	\$ -	\$ -	\$ -	\$ 336.96

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
a. Adopting procedures, recording, and maintaining records	\$ 591.48	\$ -	\$ -	\$ -	\$ -	\$ 591.48
b. Waiving student fees	\$ 118,861.72	\$ -	\$ -	\$ -	\$ -	\$ 118,861.72
c. Reporting BOG fee waiver data to CCC	\$ 1,698.80	\$ -	\$ -	\$ -	\$ -	\$ 1,698.80
j) Total Direct Costs	\$ 388,618.44	\$ -	\$ -	\$ -	\$ -	\$ 388,618.44

Indirect Costs						
i) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]					38.49%
j) Total Indirect Costs	[Line (06) x line (05)(a)]					\$ 149,579.24
k) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]					\$ 538,197.68

Cost Reduction						
l) Less: Enrollment Fee Revenue offset						\$ 60,738.00
m) Less: Enrollment Fee Waiver offsets						\$ 121,624.58
n) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]					\$ 355,835.10

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed <u> </u> / <u> </u> / <u> </u> (21) LRS Input <u> </u> / <u> </u> / <u> </u>	Program 267
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(01) Claimant Identification Number: CC10225			Reimbursement Claim Data	
(02) Claimant Name: State Center Community College District			(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: Fresno			(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 1525 East Weldon Avenue			(24) EFCW-1, (04)(A)(2)(a)(f)	622,407
City: Fresno	State: CA	Zip Code: 93704-6398	(25) EFCW-1, (04)(B)(1)(a)(f)	
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)	
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)	543
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)	377,802
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)	
Fiscal Year of cost	(06) 2007-2008	(12) 2006-2007	(30) EFCW-1, (06)	37
Total Claimed Amount	(07) \$ 856,400	(13) \$ 778,569	(31) EFCW-1, (07)	365,274
Less: 10% Late Penalty, not to exceed \$10,000		(14) \$ -	(32) EFCW-1, (09)	209,112
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)	378,344
Net Claimed Amount		(16) \$ 778,569	(34)	
Due from State	(08) \$ 856,400	(17) \$ 778,569	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

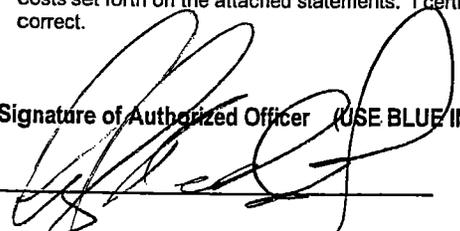
In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK)

Date



1-7-08

Douglas R. Brinkley

Vice Chancellor, Finance and Administrative

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(01) Claimant: State Center Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> <input type="checkbox"/> Estimated <input type="checkbox"/> <input type="checkbox"/>	Fiscal Year 2006-2007
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(03) Leave Blank

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

A. 1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

A. 2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 622,406.93	\$ -	\$ -	\$ -	\$ -	\$ 622,406.93
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3. 1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 542.64	\$ -	\$ -	\$ -	\$ -	\$ 542.64

3. 2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 377,801.70	\$ -	\$ -	\$ -	\$ -	\$ 377,801.70
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

35) Total Direct Costs	\$ 1,000,751.27	\$ -	\$ -	\$ -	\$ -	\$ 1,000,751.27
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Indirect Costs						
16) Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]				36.50%	
17) Total Indirect Costs	[Line (06) x line (05)(a)]				\$ 365,274.21	
18) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]				\$ 1,366,025.48	

Cost Reduction						
9) Less: Enrollment Fee Revenue offset					\$ 209,112.00	
10) Less: Enrollment Fee Waiver offsets					\$ 378,344.34	
1) Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]				\$ 778,569.14	

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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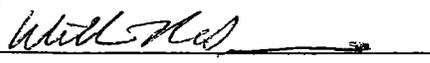
(01) Claimant Identification Number: CC15255		Reimbursement Claim Data	
(02) Claimant Name: West Kern Community College District		(22) EFCW-1, (04)(A)(1)(a)(f)	
County of Location: Kern County		(23) EFCW-1, (04)(A)(1)(b)(f)	
Street Address or P.O. Box: 29 Emmons Park Drive		(24) EFCW-1, (04)(A)(2)(a)(f)	186,195
City: Taft	State: CA	Zip Code: 93268	(25) EFCW-1, (04)(B)(1)(a)(f)
Type of Claim	Estimated Claim	Reimbursement Claim	(26) EFCW-1, (04)(B)(1)(b)(f)
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) EFCW-1, (04)(B)(2)(c)(f)
Fiscal Year of cost	(06) 2007-2008	(12) 2006-2007	(30) EFCW-1, (06)
Total Claimed Amount	(07) \$ 302,600	(13) \$ 275,171	(31) EFCW-1, (07)
Less: 10% Late Penalty, not to exceed \$10,000		(14) \$ -	(32) EFCW-1, (09)
Less: Prior Claim Payment Received		(15) \$ -	(33) EFCW-1, (10)
Net Claimed Amount		(16) \$ 275,171	(34)
Due from State	(08) \$ 302,600	(17) \$ 275,171	(35)
Due to State		(18)	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) 	Date 1/30/08
William H. Duncan IV Type or Print Name	Executive Vice President Title

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

Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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(1) Claimant: West Kern Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 186,194.88	\$ -	\$ -	\$ -	\$ -	\$ 186,194.88
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 48,392.58	\$ -	\$ -	\$ -	\$ -	\$ 48,392.58
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 234,587.46	\$ -	\$ -	\$ -	\$ -	\$ 234,587.46

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	34.87%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 81,800.65
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 316,388.11

Cost Reduction		
Less: Enrollment Fee Revenue offset		\$ 11,715.00
Less: Enrollment Fee Waiver offsets		\$ 29,502.00
Total Claimed Amount	[Line (08) - (Line (09) + Line (10))]	\$ 275,171.11

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only	Program 267
	(19) Program Number 00267	
	(20) Date Filed <u> </u> / <u> </u> / <u> </u>	
	(21) LRS Input <u> </u> / <u> </u> / <u> </u>	

(01) Claimant Identification Number: CC43180	Reimbursement Claim Data													
(02) Claimant Name West Valley-Mission Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	885												
County of Location Santa Clara	(23) EFCW-1, (04)(A)(1)(b)(f)	64,644												
Street Address or P.O. Box 14000 Fruitvale Avenue	(24) EFCW-1, (04)(A)(2)(a)(f)	813,810												
City State Zip Code Saratoga CA 95070-5698	(25) EFCW-1, (04)(B)(1)(a)(f)	510												
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width: 33%;">Type of Claim</th> <th style="width: 33%;">Estimated Claim</th> <th style="width: 33%;">Reimbursement Claim</th> </tr> <tr> <td></td> <td>(03) Estimated <input type="checkbox"/></td> <td>(09) Reimbursement <input type="checkbox"/></td> </tr> <tr> <td></td> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> </tr> <tr> <td></td> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input checked="" type="checkbox"/></td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim		(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>		(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)	5,963
Type of Claim	Estimated Claim	Reimbursement Claim												
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>												
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>												
	(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>												
	(27) EFCW-1, (04)(B)(2)(a)(f)	13,234												
	(28) EFCW-1, (04)(B)(2)(b)(f)	196,252												
	(29) EFCW-1, (04)(B)(2)(c)(f)	37,346												
Fiscal Year of cost (06)	(12) 2006-2007	(30) EFCW-1, (06) 41												
Total Claimed Amount (07)	(13) \$ 1,450,348	(31) EFCW-1, (07) 466,875												
Less: 10% Late Penalty, not to exceed \$10,000	(14) \$ 10,000	(32) EFCW-1, (09) 41,839												
Less: Prior Claim Payment Received	(15) \$ -	(33) EFCW-1, (10) 107,331												
Net Claimed Amount	(16) \$ 1,440,348	(34)												
Due from State (08)	(17) \$ 1,440,348	(35)												
Due to State	(18)	(36)												

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

1-29-09

George Kozitza Interim Vice-Chancellor, Business Services

John E. Hendrickson Title

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

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

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: West Valley-Mission Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
	(a)	(b)	(c)	(d)	(e)	(f)
Reimbursable Components	Salaries and Benefits	Materials and Supplies	Contracted Services	Fixed Assets	Travel and Training	Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ 884.62	\$ -	\$ -	\$ -	\$ -	\$ 884.62
b. Staff training (One time per employee)	\$ 64,643.51	\$ -	\$ -	\$ -	\$ -	\$ 64,643.51

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 813,809.70	\$ -	\$ -	\$ -	\$ -	\$ 813,809.70
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ 509.90	\$ -	\$ -	\$ -	\$ -	\$ 509.90
b. Staff training (One time per employee)	\$ 5,962.96	\$ -	\$ -	\$ -	\$ -	\$ 5,962.96

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ 13,234.26	\$ -	\$ -	\$ -	\$ -	\$ 13,234.26
b. Waiving student fees	\$ 196,251.87	\$ -	\$ -	\$ -	\$ -	\$ 196,251.87
c. Reporting BOG fee waiver data to CCC	\$ 37,345.90	\$ -	\$ -	\$ -	\$ -	\$ 37,345.90
Total Direct Costs	\$ 1,132,642.72	\$ -	\$ -	\$ -	\$ -	\$ 1,132,642.72

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	41.22%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 466,875.33
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 1,599,518.05

Reduction		
Less: Enrollment Fee Revenue offset		\$ 41,839.00
Less: Enrollment Fee Waiver offsets		\$ 107,331.00
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 1,450,348.05

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ENROLLMENT FEE COLLECTION AND WAIVERS	For State Controller Use Only (19) Program Number 00267 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 267
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(01) Claimant Identification Number: CC50150	Reimbursement Claim Data																													
(02) Claimant Name Yosemite Community College District	(22) EFCW-1, (04)(A)(1)(a)(f)	140																												
County of Location Stanislaus	(23) EFCW-1, (04)(A)(1)(b)(f)																													
Street Address or P.O. Box P.O. Box 4065	(24) EFCW-1, (04)(A)(2)(a)(f)	246,972																												
City Modesto State CA Zip Code 95352	(25) EFCW-1, (04)(B)(1)(a)(f)	36																												
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width: 20%;">Type of Claim</th> <th style="width: 20%;">Estimated Claim</th> <th style="width: 20%;">Reimbursement Claim</th> <th style="width: 40%;"></th> </tr> <tr> <td></td> <td>(03) Estimated <input type="checkbox"/></td> <td>(09) Reimbursement <input type="checkbox"/></td> <td>(26) EFCW-1, (04)(B)(1)(b)(f)</td> </tr> <tr> <td></td> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td>(27) EFCW-1, (04)(B)(2)(a)(f)</td> </tr> <tr> <td></td> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input checked="" type="checkbox"/></td> <td>(28) EFCW-1, (04)(B)(2)(b)(f)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">87,743</td> </tr> <tr> <td></td> <td></td> <td></td> <td>(29) EFCW-1, (04)(B)(2)(c)(f)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">443</td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim			(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)		(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)				87,743				(29) EFCW-1, (04)(B)(2)(c)(f)				443		
Type of Claim	Estimated Claim	Reimbursement Claim																												
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(26) EFCW-1, (04)(B)(1)(b)(f)																											
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) EFCW-1, (04)(B)(2)(a)(f)																											
	(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>	(28) EFCW-1, (04)(B)(2)(b)(f)																											
			87,743																											
			(29) EFCW-1, (04)(B)(2)(c)(f)																											
			443																											
Fiscal Year of cost (06) 2006-2007	(12)	(30) EFCW-1, (06)	41																											
Total Claimed Amount (07)	(13) \$ 284,386	(31) EFCW-1, (07)	137,722																											
Less: 10% Late Penalty, not to exceed \$10,000	(14) \$ 10,000	(32) EFCW-1, (09)	100,448																											
Less: Prior Claim Payment Received	(15) \$ -	(33) EFCW-1, (10)	88,222																											
Net Claimed Amount	(16) \$ 274,386	(34)																												
Due from State (08)	(17) \$ 274,386	(35)																												
Due to State	(18)	(36)																												

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

Teresa Scott 1-30-09

Teresa Scott Vice Chancellor, Fiscal Services

Type or Print Name Title

(38) Name of Contact Person for Claim

SixTen and Associates Telephone Number: (858) 514-8605

E-mail Address: kbpsixten@aol.com

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: Seminole Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)						
a. Preparing district policies & procedures for § IV.A.	\$ 139.68	\$ -	\$ -	\$ -	\$ -	\$ 139.68
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)						
a. Calculating and collecting enrollment fees	\$ 246,972.11	\$ -	\$ -	\$ -	\$ -	\$ 246,972.11
1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)						
a. Preparing district policies & procedures for § IV.B.	\$ 36.02	\$ -	\$ -	\$ -	\$ -	\$ 36.02
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)						
Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Waiving student fees	\$ 87,743.09	\$ -	\$ -	\$ -	\$ -	\$ 87,743.09
Reporting BOG fee waiver data to CCC	\$ 443.36	\$ -	\$ -	\$ -	\$ -	\$ 443.36
Total Direct Costs	\$ 335,334.26	\$ -	\$ -	\$ -	\$ -	\$ 335,334.26

Indirect Costs		
Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	41.07%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 137,721.78
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 473,056.04
Reduction		
Less: Enrollment Fee Revenue offset		\$ 100,448.00
Less: Enrollment Fee Waiver offsets		\$ 88,222.47
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 284,385.57

CLAIM FOR PAYMENT
 Pursuant to Government Code Section 17561
ENROLLMENT FEE COLLECTION AND WAIVERS

For State Controller Use Only

(19) Program Number 00267
 (20) Date Filed ___/___/___
 (21) LRS Input ___/___/___

Program
267

L
A
B
E
L
H
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R
E

(01) Claimant Identification Number: **CC36175**
 (02) Claimant Name: **Victor Valley Community College District**
 County of Location: **San Bernardino**
 Street Address or P.O. Box: **18422 Bear Valley Road**
 City: **Victorville** State: **CA** Zip Code: **92395-5850**

Reimbursement Claim Data	
(22) EFCW-1, (04)(A)(1)(a)(f)	
(23) EFCW-1, (04)(A)(1)(b)(f)	
(24) EFCW-1, (04)(A)(2)(a)(f)	281,253
(25) EFCW-1, (04)(B)(1)(a)(f)	
(26) EFCW-1, (04)(B)(1)(b)(f)	3,623
(27) EFCW-1, (04)(B)(2)(a)(f)	
(28) EFCW-1, (04)(B)(2)(b)(f)	62,497
(29) EFCW-1, (04)(B)(2)(c)(f)	
(30) EFCW-1, (06)	60
(31) EFCW-1, (07)	206,078
(32) EFCW-1, (09)	51,049
(33) EFCW-1, (10)	66,120
(34)	
(35)	
(36)	

Type of Claim	Estimated Claim	Reimbursement Claim
(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	
(05) Amended <input type="checkbox"/>	(11) Amended <input checked="" type="checkbox"/>	
Fiscal Year of cost (06)	(12) 2006-2007	
Total Claimed Amount (07)	(13) \$ 436,282	
Less: 10% Late Penalty, not to exceed \$10,000	(14) \$ 10,000	
Less: Prior Claim Payment Received	(15) \$	
Net Claimed Amount	(16) \$ 426,282	
Due from State (08)	(17) \$ 426,282	
Due to State	(18) \$	

(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)

Mary Pringle

Date

2-9-09

Bruce Baron **MARY PRINGLE**

Type or Print Name

DIRECTOR, FISCAL SVCS
 Vice President, Administrative Services

Title

(38) Name of Contact Person for Claim

SixTen and Associates

Telephone Number: **(858) 514-8605**

E-mail Address: **kbpsixten@aol.com**

Program 267	MANDATED COSTS ENROLLMENT FEE COLLECTION AND WAIVERS CLAIM SUMMARY	FORM EFCW-1
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1) Claimant: Creston Valley Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-2007
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3) Leave Blank

Direct Costs	Object Accounts					
Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contracted Services	(d) Fixed Assets	(e) Travel and Training	(f) Total

1. Enrollment Fee Collection: One-Time Activities (Reimbursement begins 07/01/1998)

a. Preparing district policies & procedures for § IV.A.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. Enrollment Fee Collection: Ongoing Activities (Reimbursement begins 07/01/1998)

a. Calculating and collecting enrollment fees	\$ 281,253.01	\$ -	\$ -	\$ -	\$ -	\$ 281,253.01
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1. Enrollment Fee Waiver: One-Time Activities (Reimbursement begins 07/01/1999)

a. Preparing district policies & procedures for § IV.B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Staff training (One time per employee)	\$ 2,482.78	\$ -	\$ -	\$ -	\$ 1,140.00	\$ 3,622.78

2. Enrollment Fee Waiver: Ongoing Activities (Reimbursement begins 07/01/1999)

a. Adopting procedures, recording, and maintaining records	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Waiving student fees	\$ 62,496.92	\$ -	\$ -	\$ -	\$ -	\$ 62,496.92
c. Reporting BOG fee waiver data to CCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Costs	\$ 346,232.71	\$ -	\$ -	\$ -	\$ 1,140.00	\$ 347,372.71

Indirect Cost Rate	[From OMB A-21, FAM-29C, or 7%]	59.52%
Total Indirect Costs	[Line (06) x line (05)(a)]	\$ 206,077.71
Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 553,450.42

Reduction		
Less: Enrollment Fee Revenue offset		\$ 51,049.00
Less: Enrollment Fee Waiver offsets		\$ 66,119.70
Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	\$ 436,281.72



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

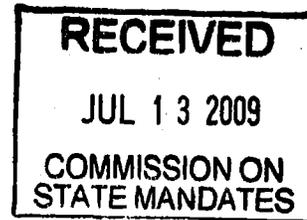
ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

EXHIBIT B

July 10, 2009

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



REQUEST TO AMEND PARAMETERS AND GUIDELINES FOR THE ENROLLMENT FEE COLLECTION AND ENROLLMENT WAIVER PROGRAM

Dear Ms. Higashi:

Pursuant to your March 10, 2009 letter, we reviewed the proposed amendments to the Parameters and Guidelines for the *Enrollment Fee Collection and Waivers Program* (99-TC-13 and 00-TC-15). Specifically, the proposed amendments would adopt a reasonable rate methodology (RRM) for the *Enrollment Fee Collection Program* (EFC) and for the *Enrollment Fee Waiver Program* (EFW). The RRM would replace the current cost reimbursement claims process and would be based on the cost reimbursement claim data submitted by 24 sampled community college districts (Districts), including the 16 Districts requesting the RRM, for the 2004-05, 2005-06 and 2006-07 fiscal years.

Specifically, the unit cost for the EFC Program would be calculated by multiplying "the total number of students that paid enrollment fees each semester/quarter by the weighted average unit cost rate for the relevant year." The unit cost for the EFW Program would be calculated by multiplying "the total number of students that requested enrollment fee waivers each year by the weighted average unit cost rate for the relevant year." Both unit rates would be adjusted annually by the Implicit Price Deflator.

We believe it is premature to amend the Parameters and Guidelines and adopt a RRM because the State Controller's Office (SCO) has not conducted field audits of the reimbursement claims for the EFC and EFW Programs. Therefore, it is impossible to substantiate the validity of the costs claimed to date. Establishing a base funding level on unaudited claims could prove detrimental to the state if the true costs are ultimately determined to be lower. Although the SCO has not conducted field audits of claims for the EFC or EFW Programs, it has audited District claims for the *Collective Bargaining Program* and the *Health Fee Elimination Program*. We reviewed the 2003-04, 2004-05, and 2005-06 SCO audit reports for these programs and noted that approximately 40 percent of the annual amounts claimed were disallowed. Given the high disallowance rate in these programs, we do not believe it would be appropriate to adopt a RRM for the EFC and EFW Programs based on unaudited data.

Furthermore, it is unclear if the reported EFC and EFW Program costs for the 24 sampled Districts have been adjusted for disallowed costs identified by SCO desk audits. If not, then the

proposed RRM would be based on overstated costs that should not be used as the basis for adopting a RRM.

Additionally, there is a significant difference between the lowest and highest unit cost for the EFC and EFW Programs as illustrated in the following tables. For example, Long Beach reported 2004-05 data that reflects a unit cost of \$2.85 for the EFW Program, but West Valley-Mission reported data that reflects a unit cost of \$66.54. Such large variances suggest inconsistencies in the data and warrant further scrutiny through SCO field audits. Furthermore, the variances can unduly influence the weighted cost average that is being used as a basis for the RRM. A more rigorous statistical approach that eliminates outliers and focuses on audited data with a greater correlation would be more appropriate.

The tables also illustrate the weighted average cost for the EFC Program increased 19 percent from \$14.01 to \$16.67 for the period 2004-05 to 2006-07. In contrast, the average unit cost for the EFW Program decreased 18 percent from \$19.17 to \$15.76 for the period 2004-05 to 2006-07. It is unclear why there would be such a divergence in costs for these two programs since we have not observed a significant change in the number of waivers granted in proportion to total enrollment. The sample data may be distorted as a result of the 2006-07 sample not including data for three Districts that were included in the 2004-05 and 2005-06 samples. Consequently, we do not believe it is appropriate to base a RRM on samples that do not maintain consistent data.

2004-05

	District	Per Unit EFC Cost	District	Per Unit EFW Cost
Lowest:	West Kern	\$2.68	Long Beach	\$2.85
Highest:	San Bernardino	\$41.33	West Valley-Mission	\$66.54
Total Sample Average:		\$14.01		\$19.17

2005-06

	District	Per Unit EFC Cost	District	Per Unit EFW Cost
Lowest:	Pasadena	\$3.33	Long Beach	\$2.74
Highest:	Gavilan	\$35.34	West Valley	\$64.65
Total Sample Average:		\$14.59		\$18.68

2006-07

	District	Per Unit EFC Cost	District	Per Unit EFW Cost
Lowest:	Pasadena	\$4.15	San Bernardino	\$5.51
Highest:	San Bernardino	\$36.88	West Valley Mission	\$55.44
Total Sample Average:		\$16.67		\$15.76

We also note that there is not a high degree of correlation between the number of students paying enrollment fees and receiving fee waivers and the per unit cost of administering these activities. It would be expected that the Districts' per unit costs would decrease as the number of students served increased as a result of economies of scale. However, the data is inconsistent and does not reflect this relationship between these variables. This lack of correlation ultimately casts doubt on the accuracy of the data and the appropriateness for using the data to determine the RRM.

It is also unclear how the District sample size was determined and how the applicable Districts were selected. The proposed amendment does not specify the basis for selecting the 24 Districts from the population of approximately 37 Districts that submitted reimbursement claims. The only notable feature of the sample is that the 16 Districts requesting the RRM are included in the sample.

Finally, we assume the proposed RRM would apply to all Districts based on the proposed amended Parameters and Guidelines; however, we request clarification because the claimant's cover letter suggests that the RRM only applies to the 16 specified Districts.

If you have any questions regarding this letter, please contact Ed Hanson, Principal Program Budget Analyst at (916) 445-0328.

Sincerely,

 JEANNIE OROPEZA
 Program Budget Manager

Attachment

Attachment A

DECLARATION OF EDWARD HANSON
DEPARTMENT OF FINANCE
CLAIM NO. 99-TC-13 and 00-TC-15

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.
2. We concur that the California Code of Regulations, Title No. 5, Section Number(s) 1200-1225, last amended 2003 sections relevant to this claim are accurately quoted in the test claim submitted by claimants and, therefore, we do not restate them in this declaration.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

July 10, 2009
at Sacramento, CA

Edward Hanson
Edward Hanson

PROOF OF SERVICE

Test Claim Name: Enrollment Fee Collection and Waivers Program
Test Claim Number: 99-TC-13 and 00-TC-15

I, the undersigned, declare as follows:
I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 7th Floor, Sacramento, CA 95814.

On July 10, 2009, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 7th Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

Education Mandated Cost Network
Attention: Robert Miyashiro
1121 L Street, Suite 1060
Sacramento, CA 95814

Sixten & Associates
Attention: Keith Petersen
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

State Controller's Office
Attention: Ginny Brummels
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Centration, Inc.
Attention: Beth Hunter
8570 Utica Avenue, Suite 100
Rancho Cucamonga, CA 91730

San Diego Unified School District
Attention: Arthur Palkowitz
4100 Normal Street, Room 3209
San Diego, CA 92103-8363

State Board of Education
Attention: Debora Merle, Executive Director
1430 N Street, Suite # 5111
Sacramento, CA 95814

School Innovations & Advocacy
Attention: Joe Rombold
11130 Sun Center Drive, Suite 100
Rancho Cordova, CA 95670

Legislative Analyst's Office
Attention: Paul Warren
925 L Street, Suite 1000
Sacramento, CA 95814

California School Management Group
Attention: David Cichella
1111 E Street
Tracy, CA 95376

Shields Consulting Group, Inc.
Attention: Steve Shields
1536 36th Street
Sacramento, CA 95816

Reynolds Consulting Group
Attention: Sandy Reynolds
P.O. Box 894059
Temecula, CA 92589

State Controller's Office
Attention: Jim Spano
Division of Audits
300 Capitol Mall, Suite 518
Sacramento, CA 95814

Legislative Analyst's Office
Attention: Marianne O'Malley
925 L Street, Suite 1000
Sacramento, CA 95814

B-29
Mr. Jim Soland
Legislative Analyst's Office
925 L Street, Suite 1000
Sacramento, CA 95814

Mr. Jon Sharpe
Los Rios Community College District
1919 Spanos Court
Sacramento, CA 95825

Mr. Keith B. Petersen
SixTen & Associates
3841 North Freeway Blvd.
Sacramento, CA 95834

California Department of Education
Attention: Amy Tang-Paterno
Fiscal Policy Division
1430 N Street, Suite 5602
Sacramento, CA 95814

Steve Smith Enterprise, Inc.
Attention: Steve Smith
3323 Watt Avenue #291
Sacramento, CA 95821

Scribner Consulting Group
Attention: David E. Scribner
3840 Rosin Court, Suite 190
Sacramento, CA 95834

Mandate Resource Services
Attention: Harmeet Barkschat
5325 Elkhorn Blvd. #307
Sacramento, CA 95842

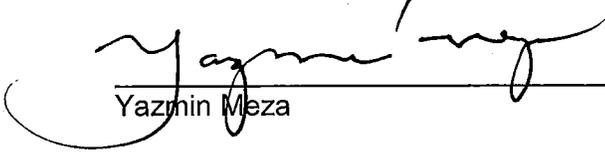
Chris Bonvenuto
Santa Monica Community College District
1900 Pico Blvd.
Santa Monica, CA 90405-1628

Mr. Allan Burdick
MAXIMUS
3130 Kilgore Road, Suite 400
Rancho Cordova, CA 95670

Mr. David E. Scribner
Scribner & Smith, Inc.
2200 Sunrise Boulevard, Suite 220
Gold River, CA 95670

Mr. Michael Johnston
Clovis Unified School District
1450 Herndon Avenue
Clovis, CA 93611-0599

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 July 10, 2009 at Sacramento, California.



Yazmin Meza



EXHIBIT C

JOHN CHIANG
California State Controller
Division of Accounting and Reporting

July 9, 2009



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

Re: Request to Amend Parameters and Guidelines
Enrollment and Collection and Waivers 08-PGA-02 (99-TC-13 and 00-TC-15)
Education Code Section 73600, et.al.

Dear Ms. Patton:

We reviewed the proposed the "Request to Amend Parameters and Guidelines" for Enrollment Fee Collection and Waivers Program submitted by Mr. Keith Peterson of Sixten and Associates. The State Controller's Office (SCO), after careful review and analysis, has determined that more information is required before proceeding further with this proposal. The SCO believes that the most effective way to gather the required information is in a pre-hearing conference. The pre-hearing could help everyone better understand the process and methodology used by Mr. Petersen in calculating his Reasonable Rate Methodology (RRM) values and further explain some of the assumptions made in his original proposal.

The attendees should include representatives from the SCO, Community Colleges, Department of Finance, Chancellor's Office and other interested parties.

Please contact Ginny Brummels at (916) 324-0256 if you have any questions.

Sincerely,

JILL KANEMASU, Chief
Bureau of Payments

SixTen and Associates

Mandate Reimbursement Services

KEITH B. PETERSEN, President
3270 Arena Blvd. Suite 400-363
Sacramento, CA 95834
Telephone: (916) 419-7093
Fax: (916) 263-9701

E-Mail: Kbpsixten@aol.com
5252 Balboa Avenue, Suite 900
San Diego, CA 92117
Telephone: (858) 514-8605
Fax: (858) 514-8645



August 5, 2009

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

RE: 08-PGA-02
Enrollment Fee Collection and Waivers (99-TC-13 and 00-TC-15)
Request to Amend the Parameters and Guidelines
Los Rios Community College District, et al.

Dear Ms. Higashi:

I have received a copy of the July 9, 2009, letter from Jill Kanemasu, Chief, Bureau of Payments, Division of Accounting and Reporting, California State Controller, and the July 10, 2009, letter from Jeannie Oropeza, Program Budget Manager, Department of Finance, to which I respond on behalf of the requesting parties for the above referenced action.

The Controller's letter requests a prehearing. I concur that the meeting would be productive. The Controller's letter also indicates that more information is required that could be gathered at the prehearing. Perhaps Ms. Kanemasu could provide all of us, before the meeting, an indication of what additional information will be requested at the meeting so that the parties can prepare.

The Department of Finance believes it is premature to establish a reasonable reimbursement methodology for this mandate because the Controller has not

conducted field audits. To my knowledge, at least four field audits are in various stages of completion short of audit reports and no "desk" audits have been performed. However, the Commission regulations do not require audited data to establish a reasonable reimbursement methodology.

Controller audit findings, such as the Collective Bargaining audits cited by the Finance letter, are typically based on a lack of "sufficient" documentation (which is of course a particularly subjective standard because sufficiency, like beauty, is in the eye of the beholder) rather than reductions of unreasonable costs. Therefore, incorporating audit findings of this type would not necessarily be representative of the program costs. The significant adjustments to the Health Fee Elimination claims cited by the Finance letter are primarily due to a legal dispute over "collectible" and "collected" student health service fee *revenue* as an offset to program costs, and not a result of any significant audit reductions to program *costs*. The Department of Finance's search to discover "true costs" will never be accomplished because the concept does not exist in cost accounting systems. Cost accounting is necessarily a process where time and materials applied to an outcome are measured as best as possible, but there are no actual costs in cost accounting, as there are in financial accounting systems.

The Department of Finance indicates that there should be an expectation that the "per unit costs would decrease as the number of students served increased as a result of economies of scale." This expectation indicates a fundamental misunderstanding of the mandate and how fixed and variable costs interact. The best candidates for uniform cost allowances are those mandate program costs with a high proportion of variable costs. That is, those costs that result from repetitive similar transactions, such as the enrollment process or the fee waiver process. This mandate program has few fixed costs (such as software or administrative costs) that are expenditures not directly related to the workload of enrollment and waiver. Therefore, this mandate is a good candidate for a uniform cost allowance.

The Department of Finance is concerned that the "sample size" of 24 districts out of the 37 districts that submitted claims may not be representative, and that the 16 districts requesting the parameters and guidelines amendment are among the 24 districts. The 24 districts are districts for which SixTen and Associates prepared the annual claims, and thus, that is the information available to us for the Request. This type of data, filed annual claims, is permissible according to the statute (Government Code Section 17518.5 et al.) establishing the reasonable reimbursement methodology. The 16 districts are necessarily some of the 24 districts that are SixTen clients since I cannot represent districts before the Commission as requesting parties that are not my clients.

As for the issue of representative samples, I cannot confirm that 37 districts filed claims. Assuming that to be true, 24 districts out of 37 districts raises the data above the concept of a sample, it becomes the majority of the data. If the total enrollment of the 24 districts were compared to the total enrollment of the 37 districts, that proportion

may change. However, the statute establishing the reasonable reimbursement methodology process does not require statistical sampling.

The Department of Finance "assumes" that a reasonable reimbursement methodology would apply to all districts. That is what is required by the Government Code. The cover letter for the request indicates that the request is made by 16 districts, not that the result should be limited to the 16 districts.

This parameters and guidelines amendment request is a project sponsored by the Education Mandated Cost Network Community College Committee. The chair of this particular project is Jon Sharpe, Deputy Chancellor, Los Rios Community College District. Since Mr. Sharpe is located in Sacramento, there is some flexibility in scheduling the prehearing since it need not be scheduled in conjunction with other Commission events to facilitate travel. On behalf of the requesting districts, I request that the Commission proceed with scheduling a prehearing at the earliest convenience of the state agencies and Mr. Sharpe.

Sincerely,



Keith B. Petersen

c: Attached service list

1 **DECLARATION OF SERVICE**

2
3 Re: 08-PGA-02 Los Rios Community College District, et al.
4 Request to Amend the Parameters and Guidelines
5 Enrollment Fee Collection and Waivers
6

7 I declare:

8
9 I am employed in the office of SixTen and Associates, which is the
10 appointed representative of the above named claimants. I am 18 years of
11 age or older and not a party to the entitled matter. My business address is
12 3270 Arena Blvd., Suite 400-363, Sacramento, CA 95834.
13

14 On the date indicated below, I served the attached letter dated August 5,
15 2009, to Paula Higashi, Executive Director, Commission on State
16 Mandates, to the Commission mailing list updated 06/10/09 for this matter,
17 and to:
18

19 Paula Higashi, Executive Director
20 Commission on State Mandates
21 980 Ninth Street, Suite 300
22 Sacramento, CA 95814
23

24 **U.S. MAIL:** I am familiar with the business
25 practice at SixTen and Associates for the
26 collection and processing of
27 correspondence for mailing with the
28 United States Postal Service. In
29 accordance with that practice,
30 correspondence placed in the internal mail
31 collection system at SixTen and
32 Associates is deposited with the United
33 States Postal Service that same day in the
34 ordinary course of business.
35

FACSIMILE TRANSMISSION: On the
date below from facsimile machine
number (858) 514-8645, I personally
transmitted to the above-named person(s)
to the facsimile number(s) shown above,
pursuant to California Rules of Court
2003-2008. A true copy of the above-
described document(s) was(were)
transmitted by facsimile transmission and
the transmission was reported as
complete and without error.

36 **OTHER SERVICE:** I caused such
37 envelope(s) to be delivered to the office of
38 the addressee(s) listed above by:
39

A copy of the transmission report issued
by the transmitting machine is attached to
this proof of service.

40 _____
41 (Describe)
42

PERSONAL SERVICE: By causing a true
copy of the above-described document(s)
to be hand delivered to the office(s) of the
addressee(s).

43 I declare under penalty of perjury under the laws of the State of California that the
44 foregoing is true and correct and that this declaration was executed on August 5, 2009,
45 at Sacramento, California.
46

47
48 

Kyle M. Peters

Commission on State Mandates

Original List Date:
Last Updated:
List Print Date: 06/10/2009
Claim Number: 08-PGA-02
Issue: Enrollment Fee Collection and Waivers

Agenda Mailing List

TO ALL PARTIES AND INTERESTED PARTIES:

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, § 1181.2.)

Mr. Jim Soland
Legislative Analyst's Office (B-29)
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Sacramento, CA 95814

Tel: (916) 319-8310
Fax: (916) 324-4281

Mr. Thomas Todd
Department of Finance (A-15)
Education Systems Unit
915 L Street, 7th Floor
Sacramento, CA 95814

Tel:
Fax:

Chris Bonvenuto
Santa Monica Community College District
1900 Pico Blvd.
Santa Monica, CA 90405-1628

Tel: (310) 434-4201
Fax: (310) 434-8200

Mr. Jon Sharpe
Los Rios Community College District
1919 Spanos Court
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Mr. Allan Burdick
MAXIMUS
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Mr. Jim Spano
State Controller's Office (B-08)
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300 Capitol Mall, Suite 518
Sacramento, CA 95814

Tel: (916) 323-5849
Fax: (916) 327-0832

Mr. Steve Shields
Shields Consulting Group, Inc.
1536 36th Street
Sacramento, CA 95816

Tel: (916) 454-7310
Fax: (916) 454-7312

Ms. Sandy Reynolds Reynolds Consulting Group, Inc. P.O. Box 894059 Temecula, CA 92589	Tel: (951) 303-3034 Fax: (951) 303-6607
Ms. Carol Bingham California Department of Education (E-08) Fiscal Policy Division 1430 N Street, Suite 5602 Sacramento, CA 95814	Tel: (916) 324-4728 Fax: (916) 319-0116
Ms. Beth Hunter Centration, Inc. 8570 Utica Avenue, Suite 100 Rancho Cucamonga, CA 91730	Tel: (866) 481-2621 Fax: (866) 481-2682
Mr. Steve Smith Steve Smith Enterprises, Inc. 2200 Sunrise Blvd., Suite 220 Gold River, CA 95670	Tel: (916) 852-8970 Fax: (916) 852-8978
Mr. Robert Miyashiro Education Mandated Cost Network 1121 L Street, Suite 1060 Sacramento, CA 95814	Tel: (916) 446-7517 Fax: (916) 446-2011
Ms. Harmeet Barkschat Mandate Resource Services, LLC 5325 Elkhorn Blvd. #307 Sacramento, CA 95842	Tel: (916) 727-1350 Fax: (916) 727-1734
Ms. Susan Geanacou Department of Finance (A-15) 915 L Street, Suite 1280 Sacramento, CA 95814	Tel: (916) 445-3274 Fax: (916) 449-5252
Ms. Cheryl Miller CLM Financial Consultants, Inc. 1241 North Fairvale Avenue Covina, CA 91722	Tel: (626) 332-4476 Fax: (626) 332-4886
Mr. Douglas R. Brinkley State Center Community College District 1525 East Weldon Fresno, CA 93704-6398	Tel: (916) 000-0000 Fax: (916) 000-0000
Ms. Donna Ferebee Department of Finance (A-15) 915 L Street, 11th Floor Sacramento, CA 95814	Tel: (916) 445-3274 Fax: (916) 323-9584
Ms. Odessa Walker Pasadena Area Community College District 1570 East Colorado Blvd.	Tel: (626) 585-7716 Fax:

Pasadena, CA 91106-2003

Mr. David E. Scribner
Scribner & Smith, Inc.
2200 Sunrise Boulevard, Suite 220
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Tel: (916) 852-8970
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Ms. Ginny Brummels
State Controller's Office (B-08)
Division of Accounting & Reporting
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Tel: (916) 324-0256
Fax: (916) 323-6527

Mr. Michael Johnston
Clovis Unified School District
1450 Herndon Avenue
Clovis, CA 93611-0599

Tel: (559) 327-9000
Fax: (559) 327-9129

Ms. Jeannie Oropeza
Department of Finance (A-15)
Education Systems Unit
915 L Street, 7th Floor
Sacramento, CA 95814

Tel: (916) 445-0328
Fax: (916) 323-9530

Mr. Keith B. Petersen
SixTen & Associates

Tel: (916) 565-6104
Fax: (916) 564-6103

3270 Arena Blvd., Suite 400-363
Sacramento, CA 95834



JOHN CHIANG
 California State Controller
 Division of Accounting and Reporting



August 28, 2009

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

RE: Prehearing Conference Request
 Enrollment Fee Collection and Waivers
 08-PGA-02 (99-TC-13 and 00-TC-15)
 Education Code Section 73600, et. al.

Dear Ms. Higashi:

This letter is in response to Keith Peterson's August 5, 2009 letter that addressed a request to amend the Parameters and Guidelines for the Enrollment Fee Collection and Waivers program to establish a Reasonable Reimbursement Methodology (RRM). Specifically, what type of additional information does the State Controller's Office (SCO) require at the prehearing?

Below are two major items of interest that the SCO would like more information or clarification on, in order to better understand the RRM request:

- Data source information – What data source was used in obtaining values for "Students Paying Enrollment Fees" and "Waiver Granted"? The SCO has been unable to reconcile "Students Paying Enrollment Fees" and "Waivers Granted" as published by the California Community Colleges Chancellor's Office for the claimants included in the proposed RRM calculations. The SCO would like to discuss the methodology used to compile the Waivers Granted and Students Paying Enrollment Fees.
- Does the calculated unit cost truly represent an average cost per student? The proposed RRM computes a simple unit cost average, "Enrollment Fee Collection (EFC)" and "Enrollment Fee Waiver (EFW)" for each of the fiscal years 2004-05, 2005-06, and 2006-07. The EFC unit cost for these three years range from \$2.68 to \$41.33 and the unit cost for the EFW range from \$2.74 to \$66.54. The wide variances in the data suggests a methodology of excluding claimants with extremely low or high unit costs may result in a more accurate approximation of actual costs.

The SCO is pleased that Mr. Peterson has agreed to join the SCO in requesting the Commission to schedule a prehearing at the earliest convenience. The attendees should include representatives from the Chancellor's Office of the Community Colleges, the Consultants, the Department of Finance, and the SCO.

Please contact Ginny Brummels at (916) 324-0256 if you have any questions.

Sincerely,



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

JK/GLB/djs

Interested Parties

PROOF OF SERVICE BY MAIL

08-PGA-02; 99-TC-13 and 00-TC-15 – Enrollment Fee Collection and Waivers

I, the undersigned, declare as follows:

I am a citizen of the United States and a resident of the County of Sacramento. I am over the age of 18 years and not a party to the within action. My place of employment and business address is 3301 C Street, Suite 500, Sacramento, California 95816.

On August 28, 2009, I served the attached recommendation of the State Controller's Office by placing a true copy thereof enclosed in a sealed envelope addressed to each of the persons named below at the addresses shown and by depositing said envelopes in the United States mail at Sacramento, California, with postage thereon fully prepaid.

Mr. Jim Soland
Legislative Analyst's Office (B-20)
925 L Street, Suite 1000
Sacramento, CA 95814

Mr. Thomas Todd
Department of Finance (A-15)
Education Systems Unit
915 L Street, 7th Floor
Sacramento, CA 95814

Chris Bonvenuto
Santa Monica Community College District
1900 Pico Blvd.
Santa Monica, CA 90405-1628

Mr. Jon Sharpe
Los Rios Community College District
1919 Spanos Court
Sacramento, CA 95825

Mr. Keith B. Petersen
SixTen & Associates
3270 Arena Blvd., Suite 400-363
Sacramento, CA 95834

Mr. Allan Burdick
Maximus
3130 Kilgore Road, Suite 400
Rancho Cordova, CA 95670

Mr. Jim Spano
State Controller's Office (B-08)
Division of Audits
300 Capitol Mall, Suite 518
Sacramento, CA 95816

Mr. David E. Scribner
Scribner & Smith, Inc.
2200 Sunrise Blvd., Suite 220
Gold River, CA 95670

Ms. Ginny Brummels
State Controller's Office (B-08)
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

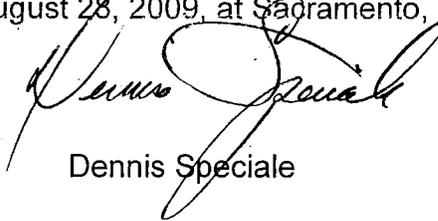
Mr. Michael Johnston
Clovis Unified School District
1450 Herndon Avenue
Clovis, CA 93611-0599

Ms. Jeannie Oropeza
Department of Finance (A-15)
Education System Unit
915 L Street, 7th Floor
Sacramento, CA 95814

Mr. Steve Shields
Shields Consulting Group, Inc.
1536 36th Street
Sacramento, CA 95816

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 28, 2009, at Sacramento, California.

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

Dennis Speciale

Hearing: July 25, 2014
 J:\MANDATES\2008\PGA\08-PGA-02 Enrollment Fee\dsod.docx

ITEM __
DRAFT PROPOSED DECISION
AND
PARAMETERS AND GUIDELINES AMENDMENT

Education Code Section 76300 as added or amended by Statutes 1984 2nd Ex. Sess., Chapter 1; Statutes 1984, Chapters 274 and 1401; Statutes 1985, Chapters 920 and 1454; Statutes 1986, Chapters 46 and 394; Statutes 1987, Chapter 1118; Statutes 1989, Chapter 136; Statutes 1991, Chapter 114; Statutes 1992, Chapter 703; Statutes 1993, Chapters 8, 66, 67, and 1124; Statutes 1994, Chapters 153 and 422; Statutes 1995, Chapter 308; Statutes 1996, Chapter 63; and Statutes 1999, Chapter 72

California Code of Regulations, Title 5, Sections 58501, 58502, 58503 (Register 2006, No. 17, 58611, 58612, 58613, 58620, and 58630(register 2006, No. 17)

Enrollment Fee Collection and Waivers
 08-PGA-02 (99-TC-13 and 00-TC-15)

Los Rios Community College District, Cerritos Community College District, Citrus Community College District, El Camino Community College District, Gavilan Community College District, Kern Community College District, Long Beach Community College District, Mt. San Jacinto Community College District, Palomar Community College District, Pasadena Area Community College District, San Bernardino Community College District, Santa Monica Community College District, State Center Community College District, Sierra Joint Community College District, Victor Valley Community College District, West Kern Community College District, and Yosemite Community College District, Requesters

EXECUTIVE SUMMARY

I. Summary of the Mandate

The Commission on State Mandates (Commission) adopted parameters and guidelines for the *Enrollment Fee Collection and Waivers* program on January 26, 2006, which authorize one-time reimbursement to prepare district policies and procedures and train staff on the collection of enrollment fees. Reimbursement is also authorized for the ongoing activities to calculate and collect the student enrollment fee for each student enrolled. With respect to fee waivers, reimbursement for one-time activities to prepare policies and procedures and to train staff is authorized. In addition, reimbursement for adopting procedures, and recording and maintaining records, with respect to the financial assistance provided on behalf of students is authorized on an ongoing basis, as well as a list of activities to waive student fees.

II. Summary of the Request

This is a request to amend the parameters and guidelines (PGA) for the *Enrollment Fee Collection and Waivers* program, CSM-99-TC-13 and 00-TC-15 to include a reasonable reimbursement methodology (RRM), in lieu of filing detailed documentation of actual costs as authorized by Government Code sections 17557(b) and 17518.5. The proposed RRM is in the form of two unit costs to claim reimbursement for all direct and indirect costs associated with calculating and collecting the community college student enrollment fee (a unit cost of \$14.98 multiplied by the number of students that pay fees each semester/quarter), and for waiving student fees in accordance with the Education Code (a unit cost of \$17.92 multiplied by the number of students who request fee waivers each year).

The current parameters and guidelines provide reimbursement based on the time taken by community college employees to calculate and accept student enrollment fees and to determine and provide fee waivers to students as authorized by the Education Code. The unit costs proposed by the requesters are not based on the average *time* to comply with the reimbursable activities, but on an average of the *costs* identified and claimed for all direct and indirect costs in reimbursement claims filed with the State Controller's Office (SCO) by 24 community college districts in fiscal years 2004-2005, 2005-2006, and 2006-2007.

III. Procedural History

On May 21, 2009, requesters filed a PGA to adopt the proposed RRM. On July 9, 2009, the State Controller's Office (SCO) filed a request for a pre-hearing conference on the RRM, citing a need for additional information. On August 5, 2009, the requesters responded to the SCO asking what additional information the SCO would require. On August 28, 2009, the SCO filed a letter identifying two areas where the SCO would like additional information: data source information to support the methodology used to calculate the RRM; and whether the calculated unit cost truly represents an average cost per student. On December 9, 2009, Commission staff held a prehearing conference on the proposed PGA to adopt an RRM. Then, on March 17, 2010, Commission staff held another prehearing conference, at the request of Mr. Keith Petersen, the requesters' representative.

IV. Discussion

The law requires substantial evidence in the record to support the adoption of a unit cost RRM and the finding that the proposed unit cost reasonably represents the costs incurred by any eligible claimant to comply with the mandated program.¹

Although a reimbursement claim, which is filed under penalty of perjury with the SCO, is evidence that is admissible under the Commission's regulations and the Evidence Code,² the

¹ Article XIII B, section 6 of the California Constitution; Government Code sections 17518.5, 17557, and 17559; Evidence Code section 1280; California Code of Regulations, title 2, section 1187.5; *Chesney v. Byram* (1940) 15 Cal.2d 460, 465; *CSBA v. State of California* (2011) 192 Cal.App.4th 770, 795; *Porter v. City of Riverside* (1968) 261 Cal.App.2d 832, 837; *Tobe v. City of Santa Ana* (1995) 9 Cal.4th 1069, 1084.

evidence submitted in this case is not sufficient to support a finding that the proposed unit cost RRM reasonably represents the costs mandated by the state for this program.

First, the requesters have included the costs claimed for the one-time activities in the calculation of the proposed unit costs. The period of reimbursement for this program began on July 1, 1999, and the one-time activities to prepare policies and procedures should have been completed and eligible for reimbursement before July 1, 2008, the potential period of reimbursement for this request. The inclusion of one-time costs, then, inflates the average actual costs incurred by community college districts to comply with this program on an ongoing basis.

Second, six of the requesters' reimbursement claims that were used to calculate the proposed unit costs have now been audited by the SCO, resulting in significant reductions to the costs claimed. The results of those audits bring additional uncertainty to the use of actual total costs claimed to develop the unit cost proposals. For example, a final audit report for Palomar was issued April 22, 2013.³ For fiscal year 2004-2005, Palomar Community College District (Palomar) claimed \$648,022 in total program costs. The SCO reduced the claimed costs by \$648,022, allowing no claimed costs. For fiscal year 2005-2006, Palomar claimed \$683,218 and the SCO reduced claimed costs by \$683,218, allowing no claimed costs. The SCO cited numerous reasons for the reductions:

The costs are unallowable primarily because the district claimed estimated costs that were not supported by source documentation, claimed ineligible time, overstated student enrollment numbers, understated the number of Board of Governors Grant fee waivers, misstated indirect costs, and misstated eligible offsetting revenues.”⁴

Similarly, the SCO completed an audit of Santa Monica Community College District (Santa Monica) on March 14, 2014, reducing the costs claimed.⁵ For fiscal year 2004-2005, Santa Monica claimed \$1,093,169 in total program costs. The SCO reduced the claimed costs to \$813,019. For fiscal year 2005-2006, Santa Monica claimed \$1,281,585 in total program costs. The SCO reduced claimed costs to \$1,006,784. The reductions were based on the grounds that:

The costs are is [sic] unallowable primarily because the district claimed ineligible and unsupported salaries and benefits, overstated indirect costs, and understated offsetting savings/reimbursements.”⁶

² Evidence Code section 1280; California Code of Regulations, title 2, section 1187.5.

³ The final audit reports are available on the SCO's website at: http://www.sco.ca.gov/aud_mancost_commcolleges_constrpt.html#sect9605. (Accessed on May 23, 2014.)

⁴ Exhibit ___, Palomar Final Audit, SCO Audit Cover Letter, dated April 22, 2013, at p. 2.

⁵ Exhibit ___, Santa Monica Final Audit, SCO Final Audit, dated March 14, 2014, at p. 2.

⁶ Exhibit ___, Santa Monica Final Audit, SCO Final Audit Cover Letter dated October 4, 2012, at p. 2.

Finally, one of the co-requesters, Gavilan Community College District, also had its claims under this program reduced by the SCO for fiscal years 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, and 2007-2008 for a total of \$3,766,932⁷ and those reductions are the subject of an IRC currently pending before the Commission (13-9913-I-01). Since that IRC has not yet been analyzed or reviewed by staff counsel (it is tentatively set for hearing in March 2016), staff makes no determination at this time regarding whether those reductions were incorrect. However, the significant reductions in allowable claimed costs for several of the requesters casts doubt on the reliability of the costs used to calculate the proposed RRM.

Accordingly, staff finds that the evidence submitted by the requesters is not sufficient to support a finding that the proposed RRM reasonably represents the costs mandated by the state.

V. Staff Recommendation

Staff recommends that the Commission deny the proposed amendment to the parameters and guidelines. Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the decision following the hearing.

⁷ Exhibit __, Gavilan Final Audit, SCO Cover Letter dated April 8, 2011, at p. 2 .

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE PARAMETERS AND GUIDELINES
AMENDMENT FOR:

Education Code Section 76300 as added or amended by Statutes 1984 2nd Ex. Sess., Chapter 1; Statutes 1984, Chapters 274 and 1401; Statutes 1985, Chapters 920 and 1454; Statutes 1986, Chapters 46 and 394; Statutes 1987, Chapter 1118; Statutes 1989, Chapter 136; Statutes 1991, Chapter 114; Statutes 1992, Chapter 703; Statutes 1993, Chapters 8, 66, 67, and 1124; Statutes 1994, Chapters 153 and 422; Statutes 1995, Chapter 308; Statutes 1996, Chapter 63; and Statutes 1999, Chapter 72;

California Code of Regulations, Title 5 Sections 58501, 58502, 58503, 58611, 58612, 58613, 58620, and 58630 (Register 2006, No. 17).

Filed by Los Rios Community College District, Cerritos Community College District, Citrus Community College District, El Camino Community College District, Gavilan Community College District, Kern Community College District, Long Beach Community College District, Mt. San Jacinto Community College District, Palomar Community College District, Pasadena Area Community College District, San Bernardino Community College District, Santa Monica Community College District, State Center Community College District, Sierra Joint Community College District, Victor Valley Community College District, West Kern Community College District, and Yosemite Community College District, Requesters.

Case No.: 08-PGA-02 (99-TC-13, 00-TC-15)

Enrollment Fee Collection and Waivers

DECISION PURSUANT TO
GOVERNMENT CODE SECTION 17500
ET SEQ.; CALIFORNIA CODE OF
REGULATIONS, TITLE 2, DIVISION 2,
CHAPTER 2.5, ARTICLE 7.

(Adopted July 25, 2014)

DECISION

The Commission on State Mandates (Commission) adopted this statement of decision on the request to amend the parameters and guidelines during a regularly scheduled hearing on July 25, 2014. [Witness list will be included in the final statement of decision.]

The law applicable to the Commission's determination of a reimbursable state-mandated program is article XIII B, section 6 of the California Constitution, Government Code section 17500 et seq., and related case law.

I. Summary Of The Mandate

Enrollment Fee Collection and Waiver Program

The Commission approved the test claim for this program on April 24, 2003, finding that the following activities were mandated by the state:

- Calculate and collect a student enrollment fee for each student except nonresident students and except for special part-time students cited in section 76300(f). (Ed. Code § 76300(a) and (b); Cal. Code Regs., tit. 5, §§ 58501, 58502 and 58503.)
- Waive student fees in accordance with Education Code section 76300(g) and (h).⁸
- Waive fees for students who apply for and are eligible for BOG fee waivers.
- Report to the Community Colleges Chancellor the number of and amounts provided for BOG fee waivers.
- Adopt procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations; and include in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance.

On January 26, 2006, the Commission adopted the current parameters and guidelines for the *Enrollment Fee Collection and Waivers* program, approving reimbursement for the following activities only:

For each eligible claimant, the following activities are reimbursable:

A. Enrollment Fee Collection (*Reimbursement Period begins July 1, 1998*)

1. One-Time Activities

a. Policies and Procedures

Prepare district policies and procedures for the collection of enrollment fees.

⁸ Education Code section 76300 allows a governing board of a community college district to exempt special part-time students, nonresident students, and students who receive benefits under the Temporary Assistance to Needy Families program (TANF), SSI, or a general assistance program, from paying the fee.

b. Staff Training (One-time per employee)

Training district staff that implement the program on the procedures for the collection of enrollment fees.

2. Ongoing Activities

- a. Calculating and collecting the student enrollment fee for each student enrolled, except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f). (Ed. Code, §76300, subs. (a) & (b); Cal. Code Regs., tit. 5, §§ 58501, 58502 & 58503). This includes:
 - i. Referencing student accounts and records to determine course workload, status of payments, and eligibility for fee waiver. Printing a list of enrolled courses.
 - ii. Calculating the total enrollment fee to be collected. Identifying method of payment. Collecting cash and making change as necessary. Processing credit card and other non-cash payment transactions (however, any fees that may be charged to a community college district by a credit card company or bank are not reimbursable). Preparing a receipt for payment received.
 - iii. Answering student's questions regarding enrollment fee collection or referring them to the appropriate person for an answer.
 - iv. Updating written and computer records for the enrollment fee information and providing a copy to the student. Copying and filing enrollment fee documentation.
 - v. Collecting delinquent enrollment fees, including written or telephonic collection notices to students, turning accounts over to collection agencies, or small claims court action.
 - vi. For students who establish fee waiver eligibility after the enrollment fee has been collected, providing a refund or enrollment fees paid and updating student and district records as required. (Refund process for change in program is not reimbursable).

B. Enrollment Fee Waiver (Reimbursement Period begins July 1, 1999)

1. One-Time Activities

a. Policies and Procedures

Prepare district policies and procedures for determining which students are eligible for waiver of the enrollment fees.

b. Staff Training (One-time per employee)

Training district staff that implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee.

2. Ongoing Activities

- a. Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation that will enable an independent determination regarding accuracy of the district's certification of need for financial assistance. (Cal. Code Regs., tit. 5, § 58630, subd. (b).)

Recording and maintaining records that document all of the financial assistance provided to students for the waiver of enrollment fees in a manner that will enable an independent determination of the district's certification of the need for financial assistance. (Cal. Code Regs., tit. 5, § 58630, subd. (b).)

- b. Waiving student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h).) Waiving fees for students who apply for and are eligible for BOG fee waivers (Cal. Code Regs., tit. 5 §§ 58612, 58613 & 58620). This includes:
 - i. Answering student's questions regarding enrollment fee waivers or referring them to the appropriate person for an answer.
 - ii. Receiving of waiver applications from students by mail, fax, computer online access, or in person, or in the form of eligibility information processed by the financial aid office.
 - iii. Evaluating each application and verification documents (dependency status, household size and income, SSI and TANF/CalWorks, etc.) for compliance with eligibility standards utilizing information provided by the student, from the student financial aid records (e.g., Free Application for Federal Student Aid (FAFSA)), and other records.
 - iv. In the case of an incomplete application or incomplete documentation, notify the student of the additional required information and how to obtain that information. Hold student application and documentation in suspense file until all information is received.
 - v. In the case of an approved application, copy all documentation and file the information for further review or audit. Entering the approved application information into district records and /or notifying other personnel performing other parts of the process (e.g., cashier's office). Providing the student with proof of eligibility or an award letter, and file paper documents in the annual file.
 - vi. In the case of a denied application, reviewing and evaluating additional information and documentation provided by the student if the denial is appealed by the student. Provide written notification to the student of the results of the appeal or any change in eligibility status.

- c. Reporting to the CCC the number of and amounts provided for BOG fee waivers. (Cal. Code Regs., tit. 5, § 58611.)

II. Summary of the Requested Amendment to the Parameters and Guidelines

This is a request to amend the parameters and guidelines (PGA) for the *Enrollment Fee Collection and Waivers* program, CSM-99-TC-13 and 00-TC-15 to include a reasonable reimbursement methodology (RRM), in lieu of filing detailed documentation of actual costs as authorized by Government Code sections 17557(b) and 17518.5. The proposed RRM is in the form of two unit costs to claim reimbursement for all direct and indirect costs associated with calculating and collecting the community college student enrollment fee (a unit cost of \$14.98, multiplied by the number of students that pay fees each semester/quarter), and for waiving student fees in accordance with the Education Code (a unit cost of \$17.92, multiplied by the number of students who request fee waivers each year). Proposed RRM

The requesters propose that the following RRM language for all direct and indirect costs be added to the parameters and guidelines:

2. Enrollment Fee Collection Uniform Cost Allowance

The reasonable reimbursement methodology for the mandated activities of calculating and collecting the student enrollment fees for those students that paid enrollment fees each semester/quarter (except nonresident students and special part-time students cited in Section 76300, subdivision (f)), and all related reimbursable program activities, shall consist of a uniform cost allowance calculated as follows:

Multiply the total number of students that paid enrollment fees each semester/quarter by the weighted average unit cost rate for the relevant fiscal year. The weighted average unit cost rate for FY 2008-09 is \$14.98. The weighted average unit cost rate shall be adjusted each subsequent year by the Implicit Price Deflator.

3. Enrollment Fee Waiver Uniform Cost Allowance

The reasonable reimbursement methodology for the mandated activities of providing students a waiver of the payment of enrollment fees, and all related reimbursable program activities, shall consist of a uniform cost allowance calculated as follows:

Multiply the total number of students that requested enrollment fee waivers each year by the weighted average unit cost rate for the relevant fiscal year. The weighted average unit cost rate for FY 2008-09 is \$17.92. The weighted average unit cost rate shall be adjusted each subsequent year by the Implicit Price Deflator.

The requesters state that the proposed “weighted average” unit cost rates are derived from the annual reimbursement claim cost data submitted to the State Controller (SCO) by 24 community

college districts (one-third of the total number of community college districts in the state) for fiscal years 2004-2005, 2005-2006, and 2006-2007.⁹

III. Procedural History

On May 21, 2009, requesters filed a PGA to adopt an RRM. On July 9, 2009, SCO filed a request for a pre-hearing conference on the RRM, citing a need for additional information. On August 5, 2009, the requesters responded to the SCO asking what additional information the SCO would require. On August 28, 2009, the SCO filed a letter identifying two areas where the SCO would like additional information: data source information to support the methodology used to calculate the RRM; and whether the calculated unit cost truly represents an average cost per student. On December 9, 2009, Commission staff held a prehearing conference on the proposed PGA to adopt an RRM. Then, on March 17, 2010, Commission staff held another prehearing conference, at the request of Mr. Keith Petersen, the requesters' representative.

IV. Position of the Parties

A. Requesters' Position

The requesters urge the Commission to adopt the proposed RRM, beginning July 1, 2008, to reimburse community college districts for all direct and indirect costs of the program.

Requesters assert that the proposed RRM is reasonable as the proposed weighted average unit cost rates are derived from the annual reimbursement claim cost data submitted to the SCO for 24 community college districts, which is one-third the total number of community college districts in the state. Requesters assert that the annual reimbursement cost data used is from the three most recent fiscal years for which data was available. Requesters assert that the proposed RRM will result in at least 50 percent of the districts receiving reimbursement in an amount sufficient to fully offset their projected costs to implement the mandate in a cost-efficient manner. Requesters assert the proposed uniform cost allowances consider the variation in costs between the districts because the proposed uniform cost allowances are dependent upon the number of students paying enrollment fees and the number of students obtaining waivers at each district. This number of students varies between districts and the level of actual costs incurred is tied to the number of students.¹⁰

B. Department Of Finance Position

Department of Finance (DOF) opposes the PGA to establish an RRM for two reasons. First, DOF asserts that the SCO has not yet conducted field audits of reimbursement claims. DOF asserts that results of a field audit might significantly reduce the allowed claimed amounts, which in turn might result in an inflated unit cost.

Additionally, DOF asserts that a significant difference exists between the lowest and highest costs used to calculate the proposed unit costs for the two reimbursable programs. DOF asserts that the wide divergence in the unit cost suggests inconsistencies in the data that could be

⁹ Exhibit A, Request to amend parameters and guidelines, pages 8-9.

¹⁰ Exhibit A.

reconciled by SCO field audits. Finally, DOF asserts that there is not a high degree of correlation between data for the weighted average cost for each program and between the number of students paying enrollment fees and receiving fee waivers and the per unit cost of administering the activities.¹¹

C. SCO Position

The SCO has not taken a position on whether the RRM is appropriate. However, the SCO has been unable to reconcile the requesters' data for students paying fees and receiving waivers, with data obtained from the California Community Colleges Chancellor's Office for the community college districts used in the RRM calculations.

The SCO also questions whether the calculated unit cost truly represents an average cost per student. The SCO suggests that the wide variation in the unit cost for each program might be more accurate if the requesters applied a methodology that excluded those districts with extremely high or low unit costs, resulting in a more accurate approximation of actual costs.¹²

V. Commission Findings

The question before the Commission is whether the evidence submitted, which includes voluminous documentation of 2004-2007 fiscal year costs to implement the program, is sufficient to support the adoption of the proposed RRM consistent with the substantial evidence standard, and the constitutional and statutory requirements for RRM and for Commission decisions generally.

A. The only statutory requirements of an RRM are that it considers variations in costs and balances accuracy in reimbursement with simplicity in the claiming process.

Government Code sections 17518.5 and 17557 authorize the Commission to adopt an RRM and include the RRM in parameters and guidelines. Statutory authority for the adoption of an RRM was originally enacted in 2004, and was amended in 2007 to promote greater flexibility in the adoption of an RRM.¹³ In a 2007 report, the Legislative Analyst's Office (LAO) states that an RRM is intended to reduce local and state costs to file, process, and audit claims; and to reduce disputes regarding mandate reimbursement claims and SCO's claim reductions. The report identifies, under the heading "Concerns with the Mandate Process," the difficulties under the statutes then-in-effect:

- Most mandates are not complete programs, but impose increased requirements on ongoing local programs. Measuring the cost to carry out these marginal changes is complex.

¹¹ Exhibit ___, DOF Comment Letter dated July 13, 2009.

¹² Exhibit ___, SCO Comment Letter dated September 3, 2009.

¹³ Government Code section 17518.5 (enacted by Stats. 2004, ch. 890 (AB 2856); amended by Stats. 2007, ch. 329 (AB 1222)).

- Instead of relying on unit costs or other approximations of local costs, reimbursement methodologies (or “parameters and guidelines”) typically require local governments to document their actual costs to carry out each element of the mandate.
- The documentation required makes it difficult for local governments to file claims and leads to disputes with the State Controller’s Office.

The LAO’s recommendation to address these issues was to:

Expand the use of unit-based and *other simple claiming methodologies* by clarifying the type of easy-to-administer methodologies that the Legislature envisioned when it enacted this statute...¹⁴

The LAO’s recommendations were implemented in Statutes 2007, chapter 329 (AB 1222). The former section 17518.5 provided that an RRM must “meet the following conditions:”

- (1) The total amount to be reimbursed statewide is equivalent to total estimated local agency and school district costs to implement the mandate in a cost-efficient manner.
- (2) For 50 percent or more of eligible local agency and school district claimants, the amount reimbursed is estimated to fully offset their projected costs to implement the mandate in a cost-efficient manner.¹⁵

The 2007 amendments to section 17518.5 now define an RRM as follows:

- (a) “Reasonable reimbursement methodology” means a formula for reimbursing local agencies and school districts for costs mandated by the state, as defined in Section 17514.
- (b) A reasonable reimbursement methodology shall be based on cost information from a representative sample of eligible claimants, information provided by associations of local agencies and school districts, or projections of other local costs.
- (c) A reasonable reimbursement methodology shall consider the variation in costs among local agencies and school districts to implement the mandate in a cost efficient manner.
- (d) Whenever possible, a reasonable reimbursement methodology shall be based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed documentation of actual costs

¹⁴ Exhibit __, “State-Local Working Group Proposal to Improve the Mandate Process,” Legislative Analyst’s Office, June 21, 2007, page 3.

¹⁵ Government Code section 17518.5 (Stats. 2004, ch. 890 § 6 (AB 2856)).

(e) A reasonable reimbursement methodology may be developed by any of the following:

- (1) The Department of Finance.
- (2) The Controller.
- (3) An affected state agency.
- (4) A claimant.
- (5) An interested party.¹⁶

An RRM diverges from the traditional requirement of supporting a reimbursement claim with detailed documentation of actual costs incurred and, instead, may apply a standard formula or single standard unit cost, based on approximations of local costs mandated by the state. A unit cost based on approximations or other projections may result in some entities receiving more than their actual costs incurred to comply with a mandated program, and some receiving less.

Rather than providing rigid requirements or elements to which an RRM proposal for adoption must adhere, the amended statute focuses on the *sources of information for the development of an RRM*. Section 17518.5 provides that an RRM “shall be based on cost information from a representative sample of eligible claimants, information provided by associations of local agencies and school districts, or other projections of other local costs.”¹⁷ The statute does not *require* any one of these options; it merely outlines these as *possible sources* for the development of evidence to support an RRM. Government Code section 17557 only requires that the end result “balances accuracy with simplicity.”

B. The Constitution requires that an RRM represent a reasonable approximation of the actual costs incurred by each eligible claimant to implement the state-mandated program.

Even though the 2007 amendment to section 17518.5 provides for more flexibility when adopting a unit cost RRM, as compared with prior law, and some claimants may receive more or less than their actual costs incurred with a unit cost RRM, the RRM adopted by the Commission must comply with the constitutional requirements of article XIII B, section 6.

Article XIII B, section 6 provides: “Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government [defined to include school districts], the State shall provide a subvention of funds to reimburse that local government for the costs of the program or increased level of service [with exceptions not applicable here]....” This reimbursement obligation was “enshrined in the Constitution ... to provide local entities with the assurance that state mandates would not place additional burdens on their increasingly limited

¹⁶ Government Code section 17518.5(b-d) (Stats. 2007, ch. 329 § 1 (AB 1222)).

¹⁷ Government Code section 17518.5(b) (Stats. 2007, ch. 329 § 1 (AB 1222)).

revenue resources.¹⁸ Section 6 recognizes that articles XIII A and XIII B severely restrict the taxing and spending powers of local governments. Its purpose is to preclude the state from shifting financial responsibility for carrying out governmental functions to local agencies, which are ‘ill equipped’ to assume increased financial responsibilities because of the taxing and spending limitations that articles XIII A and XIII B impose. With certain exceptions, section 6 “[e]ssentially’ requires the state ‘to pay for any new government programs, or for higher levels of service under existing programs, that it imposes upon local governmental agencies” that result in increased actual expenditures of limited tax proceeds that are counted against their spending limit.¹⁹ Section 17561 is the primary code section that sets forth the State's duty to reimburse once a mandate is determined by the Commission and parameters and guidelines are adopted. Section 17561(a) states: “The state shall reimburse each local agency and school district for *all* ‘costs mandated by the state,’ as defined in Section 17514.” (Emphasis added.) Government Code section 17514 defines “costs mandated by the state” as any increased cost incurred as a result of any statute or executive order that mandates a new program or higher level of service.

Although article XIII B, section 6 requires reimbursement for the actual increased costs mandated by the state, the Legislature has the power to enact statutes that provide “reasonable” regulation and control of the rights granted under the Constitution.²⁰ The Commission must presume that Government Code sections 17518.5 and 17557, which provide for the consideration and adoption of RRM based on projections of costs, meet this standard and are constitutionally valid.²¹ Additionally, the Commission has the duty of applying Government Code section 17518.5 in a constitutional manner.²² In this respect, a unit cost RRM adopted by the Commission must represent a reasonable approximation of the actual costs incurred by each eligible claimant to comply with the state-mandated program, in order to fulfill the constitutional requirement that all costs mandated by the state be reimbursed to a local government entity.

C. Substantial evidence in the record must support a finding that the proposed RRM reasonably represents the actual costs incurred by an eligible claimant to comply with the state-mandated program.

¹⁸ *Lucia Mar Unified School Dist. v. Honig* (1988) 44 Cal.3d 830, 836, fn. 6; *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1282; *CSBA v. State of California* (2011) 192 Cal.App.4th 770, 785-786.

¹⁹ *CSBA, supra*, 192 Cal.App.4th 770, 785-786; *County of San Diego v. State of California, supra*, 15 Cal.4th at p. 81; *County of Los Angeles v. Commission on State Mandates* (2003) 110 Cal.App.4th 1176, 1188–1189; *County of Sonoma, supra*, 84 Cal.App.4th at p. 1282; *Redevelopment Agency v. Commission on State Mandates* (1997) 55 Cal.App.4th 976, 985.

²⁰ *Chesney v. Byram* (1940) 15 Cal.2d 460, 465.

²¹ *CSBA, supra*, 192 Cal.App.4th 770, 795; *Porter v. City of Riverside* (1968) 261 Cal.App.2d 832, 837.

²² *Tobe v. City of Santa Ana* (1995) 9 Cal.4th 1069, 1084.

Government Code section 17559 requires that Commission decisions be based on substantial evidence in the record. Section 17559 allows a claimant or the state to petition for a writ of administrative mandamus under section 1094.5 of the Code of Civil Procedure, “to set aside a decision of the commission on the ground that the commission’s decision is not supported by substantial evidence.”²³

Code of Civil Procedure section 1094.5, in turn, provides:

Where it is claimed that the findings are not supported by the evidence, in cases in which the court is authorized by law to exercise its independent judgment on the evidence, abuse of discretion is established if the court determines that the findings are not supported by the weight of the evidence. *In all other cases, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in the light of the whole record.*²⁴

The latter finding is required for Commission decisions: when reviewing a decision of an administrative body exercising quasi-judicial power, “the reviewing court is limited to the determination of whether or not the decision is supported by substantial evidence and the court may not substitute its view for that of the administrative body, nor reweigh conflicting evidence.”²⁵ Moreover, Government Code section 17559 expressly “requires that the trial court review the decision of the Commission under the substantial evidence standard.”²⁶

The evidence required to adopt an RRM is necessarily more relaxed than an actual cost reimbursement methodology.²⁷ However, when the Legislature added section 17518.5 to the Government Code, it did not change the existing requirement in section 17559 that all of the Commission’s findings be based on substantial evidence in the record. Statutory enactments must be considered in the context of the entire statutory scheme of which they are a part and be harmonized with the statutory framework as a whole.²⁸ The Commission’s regulations specifically identify the quasi-judicial matters that are subject to these evidentiary rules, including proposed parameters and guidelines and requests to amend parameters and guidelines.²⁹

²³ Government Code section 17559(b) (Stats. 1999, ch. 643 (AB 1679)).

²⁴ Code of Civil Procedure section 1094.5 (Stats. 2011, ch. 296 § 41 (AB 1023)).

²⁵ *Board of Trustees of the Woodland Union High School District v. Munro* (Cal. Ct. App. 3d Dist. 1958) 163 Cal.App.2d 440, 445.

²⁶ *City of San Jose v. State* (Cal. Ct. App. 6th Dist. 1996) 45 Cal.App.4th 1802, 1810.

²⁷ See Government Code 17518.5 [Statute employs terms like “projections;” “approximations”].

²⁸ *Renee J. v. Superior Court* (2001) 26 Cal.4th 735, 743.

²⁹ California Code of Regulations, title 2, section 1187.1.

The proponent of the RRM has the burden of proof on the issue of whether the proposed unit cost reasonably represents the actual costs incurred by any eligible claimant to comply with the mandated program and that the proposal is supported by substantial evidence in the record.³⁰

Pursuant to the Commission's regulations, the technical rules of evidence and witnesses that are required in court are not required before the Commission. Under the Commission's process, evidence to support or rebut any issue can be by either oral or written testimony provided under oath or affirmation.³¹ Hearsay evidence may be used only for the purpose of supplementing or explaining other evidence, but shall not be sufficient itself to support a finding unless it would be admissible over objection in civil actions.³² Hearsay evidence is defined as an out-of-court statement (either oral or written) that is offered to prove the truth of the matter stated. Under the evidentiary requirements for the courts, written testimony in the form of a declaration or affidavit is considered hearsay because the declarant is an out-of-court witness making statements about the truth of the matters asserted and is not available for cross examination. However, under the relaxed rules of evidence in section 1187.5 of the Commission's regulations, written testimony made under oath or affirmation is considered direct evidence and may properly be used to support a fact.³³

Out-of-court statements that are not made under oath or affirmation, however, are hearsay. Unless there is an exception provided by law, hearsay evidence alone cannot be used to support a finding under Government Code section 17518.5 because out-of-court statements are generally considered unreliable. The witness is not under oath, there is no opportunity to cross-examine the witness, and the witness cannot be observed at the hearing.³⁴ There are many exceptions to the hearsay rule, however. If one of the exceptions applies, then an out-of-court statement is considered trustworthy under the circumstances and may be used to prove the truth of the matter stated.³⁵

In addition, the Commission may take judicial notice of any facts which may be judicially noticed by the courts.³⁶ Such facts include the official acts of any legislative, executive, or judicial body; records of the court; and other facts and propositions that are not reasonably subject to dispute and are capable of immediate and accurate determination.

³⁰ Evidence Code section 500; *Cornell v. Reilly* (1954) 127 Cal.App.2d 178, holding that the party asserting the affirmative in an administrative proceeding has the burden of proof.

³¹ California Code of Regulations, title 2, section 1187.5.

³² *Ibid.*

³³ *Windigo Mills v. Unemployment Ins. Appeals Bd.* (1979) 92 Cal.App.3d 586, 597.

³⁴ *People v. Cudjo* (1993) 6 Cal.4th 585.

³⁵ See Evidence Code sections 1200 et seq. for the statutory hearsay exceptions.

³⁶ California Code of Regulations, title 2, section 1187.5; See also, Evidence Code sections 451 and 452.

The Commission's regulation governing evidence is borrowed from the evidence requirements of the Administrative Procedures Act (Gov. Code, § 11513). The courts have interpreted the evidentiary requirement for administrative proceedings as follows:

While administrative bodies are not expected to observe meticulously all of the rules of evidence applicable to a court trial, common sense and fair play dictate certain basic requirements for the conduct of any hearing at which facts are to be determined. Among these are the following: the evidence must be produced at the hearing by witnesses personally present, or by authenticated documents, maps or photographs; ordinarily, hearsay evidence standing alone can have no weight [citations omitted], and this would apply to hearsay evidence concerning someone else's opinion; furthermore, cross-examination within reasonable limits must be allowed. Telephone calls to one of the officials sitting in the case, statements made in letters and arguments made in petitions should not be considered as evidence.³⁷

Accordingly, the plain language of the statutory and regulatory mandates scheme requires substantial evidence in the record to support the adoption of an RRM and that evidence needs to support the finding that the proposed unit cost reasonably represents the costs incurred by any eligible claimant to comply with the mandated program.

D. The evidence in the record is not sufficient to support a finding that the proposed RRM reasonably represents the costs mandated by the state for this program.

The current *Enrollment Fee Collection and Waivers* parameters and guidelines provide reimbursement based on the time taken by community college employees to calculate and accept student enrollment fees and to determine and provide fee waivers to students as authorized by the Education Code. The unit costs proposed by the requesters are not based on the average time to comply with the reimbursable activities, but on an average of the costs identified and claimed for all direct and indirect costs in reimbursement claims filed with the SCO by 24 community college districts in fiscal years 2004-2005, 2005-2006, and 2006-2007.

³⁷ *Desert Turf Club v. Board of Supervisors for Riverside County* (1956) 141 Cal.App.2d 446, 455. In that case, the board of supervisors denied a permit to use land subject to a zoning ordinance as a race track. The board based its decision on testimony, letters and phone calls from members of the public opposing horse racing and betting on moral grounds. The court held that there was no evidence in the record to support the decision. On remand, the court directed the board to “reconsider the petition of appellants as to land use, wholly excluding any consideration as to the alleged immorality of horse racing and betting as authorized by state law, and wholly excluding from such consideration all testimony not received in open hearing, and all statements of alleged fact and arguments in petitions and letters on file, except the bare fact that the petitioners or letter writers approve or oppose the granting of the petition; also wholly excluding each and every instance of hearsay testimony unless supported by properly admissible testimony, it being further required that the attorneys representing any party in interest be granted a reasonable opportunity to examine or cross-examine every new witness produced.” (*Id.* at p. 456.)

Although the submission of reimbursement claims, which are filed under penalty of perjury, is evidence that is admissible under the Commission's regulations and the Evidence Code,³⁸ the evidence is not sufficient to support a finding that the proposed RRM reasonably represents the costs mandated by the state for the reasons described below.

First, the requesters have included the costs claimed for the one-time activities in the calculation of the proposed unit costs. The period of reimbursement for this program began on July 1, 1999, and the one-time activities to prepare policies and procedures should have been completed and eligible for reimbursement before July 1, 2008, the potential period of reimbursement for this request. The inclusion of one-time costs, then, inflates the average actual costs incurred by community college districts to comply with this program on an ongoing basis.

Second, six of the requesters' reimbursement claims that were used to calculate the proposed unit costs have now been audited by the SCO, resulting in significant reductions to the costs claimed. The results of those audits bring additional uncertainty to the use of actual total costs claimed to develop the unit cost proposals. For example, a final audit report for Palomar Community College District (Palomar) was issued April 22, 2013.³⁹ For fiscal year 2004-2005, Palomar claimed \$648,022 in total program costs. The SCO reduced the claimed costs by \$648,022 allowing no claimed costs. For fiscal year 2005-2006, Palomar claimed \$683,218 and the SCO reduced claimed costs by \$683,218 allowing no claimed costs. The SCO cited numerous reasons for the reductions.

The costs are unallowable primarily because the district claimed estimated costs that were not supported by source documentation, claimed ineligible time, overstated student enrollment numbers, understated the number of Board of Governors Grant fee waivers, misstated indirect costs, and misstated eligible offsetting revenues."⁴⁰

While the statute of limitations is still current for Palomar to file an IRC and the Commission is making no finding with regard to the correctness of these reductions at this time, the significant reduction in allowable claimed costs casts doubt on the reliability of the costs used to calculate the proposed RRM.

Similarly, the SCO completed an audit of Santa Monica Community College District (Santa Monica) on March 14, 2014, reducing the claimed costs significantly.⁴¹ For fiscal year 2004-2005, Santa Monica claimed \$1,093,169 in total program costs. The SCO reduced the claimed costs to \$813,019. For fiscal year 2005-2006, Santa Monica claimed \$1,281,585 in total program costs. The SCO reduced claimed costs to \$1,006,784. The reductions were based on the grounds that:

³⁸ Evidence Code section 1280; California Code of Regulations, title 2, section 1187.5.

³⁹ Exhibit __, Palomar Final Audit at p. __. The final audit reports are available on the SCO's website at: http://www.sco.ca.gov/aud_mancost_comcolleges_costrpt.html#sect9605.

⁴⁰ Exhibit __, Palomar Final Audit, SCO Audit Cover Letter, dated April 22, 2013, at p.2.

⁴¹ Exhibit __, Santa Monica Final Audit, SCO Final Audit, dated March 14, 2014, at p. 2.

The costs are is [sic] unallowable primarily because the district claimed ineligible and unsupported salaries and benefits, overstated indirect costs, and understated offsetting savings/reimbursements.”⁴²

As with Palomar, the statute of limitations for Santa Monica to file an incorrect reduction claim is still running. However, the significant areas of concern raised by the SCO casts doubt upon the reliability of the claimed costs used to calculate the proposed RRM.

Finally, one of the co-requesters, Gavilan Community College District, also had its claims under this program reduced by the SCO for fiscal years 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, and 2007-2008 for a total of \$3,766,932 and those reductions are the subject of an IRC currently pending before the Commission (13-9913-I-01). The reductions for fiscal years 2004-2005 were \$427,505, reducing claimed costs to zero. The reductions for fiscal year 2005-2006 were \$450,729, also reduced to zero. The SCO’s cover letter states:

The costs are unallowable because the district claimed unsupported and ineligible salaries and benefits and contract services, overstated the indirect costs rates, and overstated offsetting savings’ reimbursements.⁴³

Since that IRC has not yet been analyzed or reviewed by staff counsel (it is tentatively set for hearing in March 2016), staff makes no determination at this time regarding whether those reductions were incorrect. However, the significant reductions in allowable claimed costs for several of the requesters casts doubt on the reliability of the costs used to calculate the proposed RRM.

Accordingly, the Commission finds that the evidence submitted by the requesters is not sufficient to support a finding that the proposed RRM reasonably represents the costs mandated by the state.

V. Conclusion

For the foregoing reasons the Commission hereby denies the request to amend the proposed parameters and guidelines.

⁴² Exhibit ___, Santa Monica Final Audit, SCO Final Audit Cover Letter dated October 4, 2012, at p .2.

⁴³ Exhibit ___, Gavilan Final Audit, 2014, SCO Final Audit Cover Letter dated April 8, 2011, at p. 2.

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Solano 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 23, 2014, I served the:

**Draft Proposed Decision and Parameters and Guidelines Amendment,
Schedule for Comments, and Notice of Hearing**

Enrollment Fee Collection and Waivers, 08-PGA-02 (99-TC-13 and 00-TC-15)

Education Code Section 76300 et al.

Los Rios, Cerritos, Citrus, El Camino, Gavilan, Kern, Long Beach, Mt. San Jacinto,
Palomar, Pasadena Area, San Bernardino, Santa Monica, State Center, Sierra Joint,
Victor Valley, West Kern, and Yosemite Community College Districts, Requesters

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 23, 2014 at Sacramento, California.



Heidi J. Palchik
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
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COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 5/23/14

Claim Number: 08-PGA-02

Matter: Enrollment Fee Collection and Waivers

Requester: Los Rios, Cerritos, Citrus, El Camino, Gavilan, Kern, Long Beach, Mt. San Jacinto, Palomar, Pasadena Area, San Bernardino, Santa Monica, State Center, Sierra Joint, Victor Valley, West Kern, and Yosemite Community College Districts

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, § 1181.2.)

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RECEIVED
 June 02, 2014
 Commission on
 State Mandates

June 2, 2014

Heather Halsey, Executive Director
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 U.S. Bank Plaza Building
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 Sacramento, California 95814

RE: 08-PGA-02 (99-TC-13 and 00-TC-15)
 Enrollment Fee Collection and Waivers
 Request to Amend the Parameters and Guidelines
 to Adopt a Reasonable Reimbursement Methodology
 Requesting Districts:
 Los Rios Community College District
 Cerritos Community College District
 Citrus Community College District
 El Camino Community College District
 Gavilan Community College District
 Kern Community College District
 Long Beach Community College District
 Mt. San Jacinto Community College District
 Palomar Community College District
 Pasadena Area Community College District
 San Bernardino Community College District
 Santa Monica Community College District
 State Center Community College District
 Sierra Joint Community College District,
 Victor Valley Community College District
 West Kern Community College District
Yosemite Community College District,

Dear Ms. Halsey:

I have received the May 23, 2014, Draft Proposed Decision (DPD) for the above referenced matter to which I am responding on behalf of the 17 requesting districts.

The proposed denial of the request to amend the parameters and guidelines for the Enrollment Fee Collection and Waivers mandate to establish a reasonable reimbursement methodology (RRM) is without legal basis. In order to deny this request, the DPD creates a new legal preference for an RRM based on average staff time that is not supported or required by statute rather than performing the analysis of the request according to the statutory standards of balancing accuracy with simplicity, and considering variation in costs among local government claimants in order to implement the mandate in a cost efficient manner. The DPD also erroneously concludes that the data for this request are averaged actual costs when it is actually based on average staff time. The use in the DPD of yet to be untested audit findings to denigrate the RRM data is irrelevant and inappropriate. Finally, the data and documentation utilized for the proposed unit cost rates for the EFCW mandate are more representative, which is the statutory test for RRM, than the data used for the adopted RRMs for Habitual Truants and Behavioral Intervention Plans.

THE DECISION APPLIES THE WRONG STANDARDS FOR AN RRM PROPOSAL

1. Average time vs. average cost is a new and irrelevant standard.

The stated threshold reason for denying the request is that the data is not based on average times, but rather is based on average costs (DPD, 2,17):

The current parameters and guidelines provide reimbursement based on the time taken by community college employees to calculate and accept student enrollment fees and to determine and provide fee waivers to students as authorized by the Education Code. The unit costs proposed by the requesters are not based on the average *time* to comply with the reimbursable activities, but on an average of the *costs* identified and claimed for all direct and indirect costs in reimbursement claims filed with the State Controller's Office (SCO) by 24 community college districts in fiscal years 2004-2005, 2005-2006, and 2006-2007.

This conclusion results from errors of law and fact. Absent unit cost rates and other uniform cost allowances, all parameters and guidelines reimburse staff time to implement the mandate, but do not generally specify that the cost of staff labor must be based on *average* time. In the absence of a unit cost rate, staff time claimed, actual or average, is translated into actual costs by multiplying the staff time by the relevant salary and benefits for the staff person claimed. The DPD distinction between average time and average cost may be without a factual difference. For any one mandate activity, it makes no cost accounting difference if you average staff time at the outset, or average the staff cost at the end if the calculation is made before any workload weighting is applied. The constant common multiplier applied to staff time and actual cost is the salary and benefit multiplier, so an average time or average cost is essentially the same outcome. Regardless of what the parameters and guidelines

state, an RRM proposal is subject to other and different Government Code standards.

The Habitual Truants RRM was not based on average staff time. It was the statewide average of actual costs for all activities claimed. This DPD would create and apply a new and unnecessary standard not applied to the Habitual Truants RRM, and had the new standard been applied there, the RRM for Habitual Truants would have been denied. The DPD has not stated a legal reason to insist, for the purposes of the RRM process, that source data be based on average staff time rather than average cost. To do so would create a standard of general application which would require rulemaking. Such rulemaking would likely be unsuccessful since the RRM statutes do not include cost accounting standards. Therefore, this DPD creates a legal standard not supported or potentially supportable by statute.

The DPD also errs factually on this point for the EFCW proposal. The two unit cost rates proposed for the ongoing cost for enrollment fee collection and enrollment fee waiver are, as are the annual claims, essentially based on the average staff time per transaction (enrollment or waiver) multiplied by the actual or average staff payroll costs of the persons (job classification) performing the mandate. The average staff times are based on individual declarations signed by the staff who perform the mandate at each district, and are included in the 7,831 pages of supporting documentation provided the Commission on August 29, 2012. The Behavioral Intervention Plans RRM (SOD, 40-43) determined that these types of declarations are admissible evidence for the Commission RRM process. To the contrary, the RRM adopted for Habitual Truants is not based on signed declarations by the staff who perform the mandate function, nor did the Commission require any additional supporting documentation beyond the filed annual claims.

This new test is ultimately without merit. A good indication that this new standard is irrelevant is that the RRM adopted for Graduation Requirements is based neither on individual district average staff time per activity nor statewide average costs.

2. The relevant RRM standard of review has no cost accounting rules.

The standard of review for the Habitual Truants RRM (SOD, 14) was correctly stated as:

The following analysis will show that an RRM may be based on a broad range of criteria and information, and need not conform to any specific statutory standards, other than balancing accuracy with simplicity, and considering variation in costs among local government claimants in order to implement the mandate in a cost efficient manner.

This DPD does not address the relevant legal issues of accuracy, simplicity, and variation in costs, and is thus incomplete. If such an analysis were performed, it would be determined that the two proposed unit cost rates for EFCW are more representative than the cost allowances or rates adopted for other RRMs.

The proposed unit cost rates are based on the annual claims filed by 24 college districts. This represents one-third of the college districts in the state, but about two-thirds of the 37 districts (July 10, 2009- DOF letter) that filed annual claims for that period. The proposed rates are based on three fiscal years (FY 2004-05, FY 2005-06, and FY 2006-07) which increases the representativeness of the data. To the contrary, the RRM approved for Habitual Truancy and Behavioral Intervention Plans utilized data from less than three years. The proposed rates are based on the actual costs reported in the annual reimbursement claims filed by the college districts. The DPD (18) states that annual claims are admissible evidence for the Commission. To the contrary, the RRM adopted for Behavioral Intervention Plans and Graduation Requirements were not based on data from filed claims.

There are two proposed unit cost rates, one for the enrollment fee collection process, and the second for the enrollment fee waiver. Utilizing separate rates for the two distinct processes (indeed, two separate test claims were submitted to the Commission and merged at the director's discretion) increases the representativeness of each of the rates. To the contrary, the RRM adopted for Habitual Truants was based on only one rate representing the entire scope of mandate activities.

The two unit cost rates proposed will be multiplied by the most relevant workload statistics. For the enrollment fee collection activity, the multiplier is the number of students who paid enrollment fees except for nonresident and special part-time students. For the enrollment fee waiver activity, the multiplier is the number of students who requested waivers. To the contrary, the RRM adopted for Behavioral Intervention Plans uses the district average daily attendance (ADA) which includes all students, not just special education students. Unit cost rates based on special education enrollment or special education ADA only would have been more representative than the ADA for the entire district.

The EFCW unit cost rates are based on a weighted average. The use of a weighted average is more representative because it includes the effect of the number of mandate "transactions" (e.g., student enrollment) which drives the total reported actual cost for each district and reduces the impact of outliers. This method considers the variation in costs among community college districts to implement the mandate in a cost-efficient manner because they are dependent on the number of students paying enrollment fees and the number of students obtaining waivers at each district. The number of students varies among districts and the level of actual costs incurred is tied to the number of students. Thus, the proposed unit cost rates meet all of the requirements for a reasonable reimbursement methodology that balances accuracy with simplicity.

3. One-time costs are de minimus and irrelevant as a matter of law.

The proposed unit cost rates include the cost for all mandate activities, an insignificant part of which are one-time, but relevant costs: The DPD (18) notes that:

First, the requesters have included the costs claimed for the one-time activities in the calculation of the proposed unit costs. The period of reimbursement for this program began on July 1, 1999, and the one-time activities to prepare policies and procedures should have been completed and eligible for reimbursement before July 1, 2008, the potential period of reimbursement for this request. The inclusion of one-time costs, then, inflates the average actual costs incurred by community college districts to comply with this program on an ongoing basis.

The proposed unit cost rates and annual claims include the cost for preparing and adopting policies and procedures which are one-time costs. There is no statutory requirement for the policies and procedures to be adopted by a date certain. The adoption could have occurred in later fiscal years. Further, policies and procedures changed when the districts transitioned from manual processing to internet online processing of enrollment fees and waivers. Regardless, it can be determined from the submitted documentation that the claimed dollar amount of the policies and procedures activity is de minimus compared to the cost of the ongoing fee collection and waiver activities and its effect on the unit cost rates is well within the RRM statutory standard of "approximations."

The RRM (SOD, 31) for Behavioral Intervention Plans states that "The Commission's regulations thus further support a view of the RRM statute (section 17518.5) as being focused on the information to be used, rather than any specific degree of precision or accuracy necessary." Further, the Commission determined that (BIP RRM SOD, 37):

The Commission finds that subdivision (c) of section 17518.5 does not require that an RRM proposal address, mitigate, eliminate, or otherwise equalize variation in costs among local government. The Commission finds that variation is relevant to the development of an RRM in terms of finding an appropriate level of reimbursement, but not necessarily fatal to an RRM proposal. The Commission finds that the data submitted, and the proposal based on those data, do "consider the variation," as required, in order to arrive at the unit costs proposed.

The reason that this mandate is an excellent candidate for a uniform cost allowance is because the mandate program costs have a high proportion of variable costs. That is, those costs that result from repetitive similar transactions, such as the enrollment fee collection process or the fee waiver process. This mandate program has minor nonvariable costs (such as software or administrative costs) that are not directly affected by the statistical workload of enrollments and waivers, but are nonetheless necessary parts of the total mandate program cost. Including nonvariable costs in a unit cost rate proposal is not a fatal error to determining a representative unit cost rate. However, removing this cost data, even if it could be a very minor increase in the representativeness of the unit cost rates, would constitute a type of audit of the data base not required by the RRM statutes.

There is no intended or actual material “inflation” of costs. If this is still perceived as a material issue, the policy and procedures amounts can be removed from the data and the unit cost rates recalculated. The data for Habitual Truants was adjusted several times before adoption and the Commission favors such a continuing dialogue.¹

THE AUDIT FINDINGS ARE IRRELEVANT AND UNRELIABLE

4. Audited data is not required for the RRM process.

The DPD (18) drafts in the “findings” of six Controller audits of the EFCW program for the stated purpose to “bring additional uncertainty to the use of actual total costs claimed to develop the unit cost proposals.” The supporting documentation provided for this RRM is based on admissible signed declarations for which no separate audit validation is required by the Government Code. To the contrary, these Controller’s audits are not similarly submitted under certification of penalty of perjury as are the annual claims and the specific audit findings have not been validated by adjudicated incorrect reduction claims.

This perceived need for “validation” of the RRM proposal is a new and contrived condition. The Habitual Truants RRM (SOD, 22) states that audited data is not required by statute and is not necessarily relevant. There were six audits extant at the time of the SOD for the Habitual Truants RRM and those audit findings were not drafted into

¹ The Commission favors modifications over new filings. From the Habitual Truants RRM (SOD, 12):

Finally, there is a more pragmatic and prudential reason to allow the later modifications to be treated as a single request to amend: once a request to amend parameters and guidelines is received, the filing is issued to the state agencies and interested parties for comment and rebuttal.⁶⁵ While comments and rebuttals circulate, original proposals may be modified, as here, and the requester may see fit to endorse a commenter’s suggestion. Indeed the public comment process is set up to invite participation; discussion and collaboration are key functions of a public comment period. If the mandates process, and specifically the regulations regarding requests to amend parameters and guidelines, were read so strictly as to require that any modification to a request be treated as a new proposal (thus resetting the period of eligibility, requiring opening a new file and assigning a new case number, and rebooting the public comment process), the stakeholders to a proposed amendment would have very little incentive to express any agreement with the comments of any other party, or to collaborate or compromise with other parties at all, for fear of causing further delay and more procedure.

the analysis for that SOD. The results of the 6 Habitual Truants audits published² range from 10% to 100% disallowance of costs:

<u>School District</u>	<u>Date Issued</u>	<u>Percentage Disallowed</u>
Compton Unified School District	01/14/2004	10%
Los Angeles Unified School District	06/30/2003	74%
Stockton Unified School District	01/19/2007	76%
West Contra Costa Unified School District	06/15/2006	91%
San Bernardino City Unified School District	07/14/2006	100%
Anaheim City School District	09/27/2006	100%

5. Controller audit results are not reliable for the purposes of the RRM Process.

The magnitude of the Controller audit adjustments cited in the DPD is not evidence of the representative cost of implementing the mandate relevant to the RRM inquiry. It is merely evidence of huge cost reductions sometimes based on specious analyses not acceptable for cost claiming purposes coupled with the lack of documentation acceptable to the Controller. Documentation acceptable to the Controller is a different standard than documentation needed for the RRM determination.

The results of the EFCW audits are not consistent and indicate an almost arbitrary effect of the Controller's audit standards. The results of the 16 Enrollment Fee Collection and Waivers audits published³ to date range from 19% to 100% disallowance of costs:

<u>Community College District</u>	<u>Date Issued</u>	<u>Percentage Disallowed</u>
Lake Tahoe Community College District	06/07/2013	19%
Contra Costa Community College District	03/16/2011	19%
Santa Monica Community College District	10/04/2012	37%
College of the Sequoias Community College District	01/29/2013	46%
Mira Costa Community College District	03/29/2013	50%
Merced Community College District	05/08/2013	64%
Los Angeles Community College District	10/16/2012	78%
Mount San Antonio Community College District	03/29/2013	78%

² These audits reports are located at the Controller's web site:
http://www.sco.ca.gov/aud_mancost_schools_costrpt.html

³ These audits reports are located at the Controller's web site:
http://www.sco.ca.gov/aud_mancost_comcolleges_costrpt.html

San Luis Obispo Community College District	05/03/2013	79%
Palo Verde Community College District	12/02/2010	87%
Coast Community College District	12/13/2012	91%
Cerritos Community College District	03/28/2014	97%
Gavilan Community College District	04/08/2011	98%
Los Rios Community College District	03/14/2014	99%
Palomar Community College District	04/22/2013	99%
North Orange County Community College District	08/06/2013	100%

The Controllers' audit results, in addition to being irrelevant to the RRM process here, are too unreliable to form an opinion as to reasonable costs for the RRM process. For example, from the Los Rios EFCW audit:

FINDING 3 Enrollment Fee Collection: Calculating and Collecting Enrollment Fees Cost Component– unallowable ongoing costs

Activities 1 through 4: Activity 1-Referencing student accounts, Activity 2- Calculating and collecting the fee, Activity 3-Answering students' questions, Activity 4- Updating student records

Time Increments

Using certification forms developed by the district's mandated cost consultant, district employees estimated the time required to perform the reimbursable activities. Based on these certifications, the district developed time allowances, per student for the audit period, ranging from 13.1 minutes to 16.2 minutes (as shown in the table on page 26). Based on our observations, we determined that the time allowances claimed for these activities for these years were overstated.

We held discussions with various district representatives during the audit in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Cashier Offices performing the reimbursable activities and other, non-mandated activities. We documented the average time increments spent by district staff to perform the reimbursable activities. During eight days of observations, we observed and documented a total of 610 transactions processed by district staff. Of these, 57 involved the payment of enrollment fees encompassing Activities 1 through 4, totaling 137.98 minutes. In addition, we observed an end-of-the-day batch process system update that included 436 enrollment fee transactions, totaling 40.50 minutes. The average time to perform all four activities was 2.52 minutes, or 0.63 minutes per activity.

This 80% reduction in time allowed for this activity is the largest source of the cost reduction by the audit. The auditor's observation sample size is statistically

meaningless. The audited net enrollment is 2,228,868 over the 13-year audit period of which 610 student transactions were observed in 2012. The auditor's observation process does not qualify as a "time study" according to the Controller's own published guidelines⁴, nor would such anecdotal information be accepted by the Controller as a basis for mandate cost reporting by the districts, nor meet the standards of the parameters and guidelines. A similar "observation" process was used to reduce the claimed enrollment fee waiver costs with the same disproportionate result.

6. The Controller's audit standards are misstated.

Audit findings are uncontested until an incorrect reduction claim is filed. The statute of limitations is still open for such appeals for 15 of the 16 audits listed above. One incorrect reduction claim has already been filed for the Gavilan EFCW audit. The Gavilan incorrect reduction claim asserts that the Controller's stated audit standards are without legal force, were not applied in the manner stated in the audit report, and misrepresent the actual nature and scope of the audit.

In the Gavilan and other audit reports, the Controller states:

We conducted this *performance audit* under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. Except for the issue noted below, we conducted the audit *in accordance with generally accepted government auditing standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. *Emphasis added.*

Government Code Section 17558.5 describes the time to commence and finish an audit and is not an audit content or process standard.

Government Code Section 17561(d), subdivisions (1) and (2), authorize the Controller to audit initial and subsequent annual reimbursement claims and to "(r)educe any claim that the Controller determines is excessive or unreasonable." This is a distinct scope statement. Adjustments based on lack of documentation are not adjustments based on excessive or unreasonable costs.

Government Code Section 12410 states: "The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment." However, Section 12410 is found in

⁴ The Controller's time study guidelines are posted at:
http://www.sco.ca.gov/Files-ARD-Local/mancost_timestudyguidelines.pdf

the part of the Government Code that provides a general description of the duties of the Controller and dates back to 1945. It is not specific to the audit of mandate reimbursement claims. The only applicable audit standard for mandate reimbursement claims is found in Government Code Section 17561(d). The fact that Section 17561(d) specifies its own audit standard (excessive or unreasonable) implies that the general Controller audit standard (correctness, legality, and sufficient provisions of law) does not apply here, it is the case of more specific language circumscribing the general language. The audit reports do not assert or demonstrate that, if Section 12410 was the applicable standard, the audit adjustments were made in accordance with this standard. There is no allegation in the audit reports that the claims were in any way illegal. The phrase "sufficient provisions of law for payment" refers to the requirement that there be adequate appropriations prior to the disbursement of any funds. There is no indication in the audit reports that any funds were disbursed for these claims without sufficient appropriations. Thus, even if the standards of Section 12410 were applicable to mandate reimbursement audits, the Controller audit reports fail to put forth any evidence that these standards are not met or even relevant. There is no indication that the Controller is actually relying on the audit standards set forth in Section 12410 for the adjustments to district reimbursement claims.

7. GAGAS were not actually applied and are not applicable.

The Generally Accepted Government Auditing Standards (GAGAS), commonly referred to as the "Yellow Book,"⁵ is for use by auditors of government entities, entities that receive government awards, and other audit organizations performing Yellow Book audits. These standards apply when required by law, regulation, agreement, contract, or policy. The audit reports do not cite any law or agreement or policy that makes the Yellow Book, while potentially useful if used properly, applicable to audits of state mandated costs.

Regardless, the Gavilan and the other EFCW audit reports state that the audits were a "performance audit." The Yellow Book standards for performance audits are:

2.6 A performance audit is an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making by parties with responsibility to oversee or initiate corrective action.

⁵ Generally Accepted Government Auditing Standards

The Generally Accepted Government Auditing Standards (GAGAS), commonly referred to as the "Yellow Book," are published by the United States Government Accountability Office (GAO): <http://www.gao.gov/govaud/ybook.pdf>.

- 2.7 Performance audits include economy and efficiency and program audits.
- a. Economy and efficiency audits include determining (1) whether the entity is acquiring, protecting, and using its resources (such as personnel, property, and space) economically and efficiently, (2) the causes of inefficiencies or uneconomical practices, and (3) whether the entity has complied with laws and regulations on matters of economy and efficiency.
 - b. Program audits include determining (1) the extent to which the desired results or benefits established by the legislature or other authorizing body are being achieved, (2) the effectiveness of organizations, programs, activities, or functions, and (3) whether the entity has complied with significant laws and regulations applicable to the program.

The audit reports make no findings based on the above performance criteria. Rather, documentation audits were conducted.

8. The Controller's use of documentation standards is capricious.

The audits inconsistently applied the documentation standards stated in the parameters and guidelines. The audit reports cite--but sometimes only the part underlined below--the parameters and guidelines as the legal standard for source documentation:

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The majority of the direct cost claimed each year is the staff time spent to implement the ongoing mandated activities. Most of this time is disallowed by the audit. The audit reports essentially assert that the provided source data are inappropriately or insufficiently documented.

It should be remembered that the parameters and guidelines were adopted and the first claiming instructions were issued seven years after the first fiscal year in the audit periods. Thus, claimants were not on notice of the activities approved for reimbursement that should be documented until the eighth year of the eligibility period. It would seem patently unreasonable to require contemporaneous documentation of daily staff time for the retroactive initial fiscal years. While some historic staff time can be reconstructed from calendars and desk diaries, other staff time cannot and must be reported as a good-faith estimate where the desired information is not maintained in the regular course of business. While everyone can agree with the Controller's recommendation that claimants maintain records that document actual time spent on mandate related activities, it would be a more realistic standard only for the fiscal year annual claims filed after the initial fiscal year claims or if the Controller provided forms for that purpose.

None of the governmental entities that establish the financial accounting standards and reporting requirements that community college districts are otherwise subject to publish any standards or reporting requirements specific to state mandate cost accounting. Nor does the Controller, whose particular responsibility has been the payment and audit of the mandate annual claims for more than thirty years, publish cost accounting forms for use by claimants to record staff time spent on mandates. In the absence of published governmental standards, claimants must retroactively rely upon documentation contemporaneously produced in the regular course of business, as well as additional forms, designed usually by mandate consultants, for the collection of staff mandate time not otherwise available from regular business records. Uniform compliance would be more likely if the Controller published forms for this purpose, as the Controller has done for other programs within the Controller's payment and audit jurisdiction.

The districts included in the RRM proposal utilized certified declarations of time that are within the scope of the parameters and guidelines documentation standards. For these districts that were also audited, where these forms or other documentation was apparently sufficient, the auditor made qualitative judgments regarding the scope of activities as to whether they were related to the mandate program. Where it was not, the auditor disallowed the claimed costs for insufficient documentation. In all of these audits except one, claimed ongoing costs average staff time per activity was disallowed. In the Contra Costa audit, the same forms were accepted which validates the concept of using average times as an acceptable method for the calculation of the mandate costs. The DPD has already stated that average staff times were preferred for the RRM process. Where the reported time and workload statistics were accepted by the auditor for some activities, the Controller is validating the good faith declaration method as an acceptable method for estimating average time, and such declarations are admissible

for the RRM process.

The audit report states that the Controller relies on the documentation requirements stated in the parameters and guidelines. However, the Controller's inconsistent treatment of similar district documentation--accepting the forms for Contra Costa and rejecting the same forms for all other districts--makes the Controller's reliance on the parameters and guidelines language seems capricious and not enforceable.

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By my signature below, I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this submission is true and complete to the best of my own knowledge or information or belief, and that the referenced documents are true and correct copies of documents produced by the requesting parties or state agency cited.



Keith B. Petersen

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 June 3, 2014, I served the:

Claimant Comments

Enrollment Fee Collection and Waivers, 08-PGA-02 (99-TC-13 and 00-TC-15)
Education Code Section 76300 et al.

Los Rios, Cerritos, Citrus, El Camino, Gavilan, Kern, Long Beach, Mt. San Jacinto, Palomar, Pasadena Area, San Bernardino, Santa Monica, State Center, Sierra Joint, Victor Valley, West Kern, and Yosemite Community College Districts, Requesters

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 June 3, 2014 at Sacramento, California.



Lorenzo R. Duran.

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

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 5/23/14

Claim Number: 08-PGA-02

Matter: Enrollment Fee Collection and Waivers

Requester: Los Rios, Cerritos, Citrus, El Camino, Gavilan, Kern, Long Beach, Mt. San Jacinto, Palomar, Pasadena Area, San Bernardino, Santa Monica, State Center, Sierra Joint, Victor Valley, West Kern, and Yosemite Community College Districts

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, § 1181.2.)

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JOHN CHIANG
California State Controller
Division of Accounting and Reporting

RECEIVED
June 04, 2014
Commission on
State Mandates

LATE FILING

June 4, 2014

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

Re: Draft Proposed Decision and Parameters and Guidelines Amendment,
Schedule for Comments, and Notice of Hearing
Enrollment Fee Collection and Waivers, 08-PGA-02 (99-TC-13 and 00-TC-15)
Education Code Section 76300 et al.
Los Rios, Cerritos, Citrus, El Camino, Gavilan, Kern, Long Beach, Mt. San Jacinto,
Palomar, Pasadena Area, San Bernardino, Santa Monica, State Center, Sierra Joint,
Victor Valley, West Kern, and Yosemite Community College Districts, Requesters

Dear Ms. Halsey:

The State Controller's Office (SCO) reviewed the draft proposed statement of decision on the request to amend the parameters and guidelines for the Enrollment Fee Collection and Waivers program. The SCO agrees with the proposed decision to deny the request to amend the parameters and guidelines.

Should you have any questions regarding the above, please contact Afsana Saida at (916) 324-7870 or e-mail asaida@sco.ca.gov.

Sincerely,

JAY LAL, Manager
Local Reimbursements Section

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Yolo 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 June 4, 2014, I served the:

SCO Comments

Enrollment Fee Collection and Waivers, 08-PGA-02 (99-TC-13 and 00-TC-15)

Education Code Section 76300 et al.

Los Rios, Cerritos, Citrus, El Camino, Gavilan, Kern, Long Beach, Mt. San Jacinto, Palomar, Pasadena Area, San Bernardino, Santa Monica, State Center, Sierra Joint, Victor Valley, West Kern, and Yosemite Community College Districts, Requesters

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 June 4, 2014 at Sacramento, California.



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

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 5/23/14

Claim Number: 08-PGA-02

Matter: Enrollment Fee Collection and Waivers

Requester: Los Rios, Cerritos, Citrus, El Camino, Gavilan, Kern, Long Beach, Mt. San Jacinto, Palomar, Pasadena Area, San Bernardino, Santa Monica, State Center, Sierra Joint, Victor Valley, West Kern, and Yosemite Community College Districts

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, § 1181.2.)

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BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE PARAMETERS AND GUIDELINES ON:

Education Code Section 76300; Statutes 1984xx, Chapter 1; Statutes 1984, Chapters 274 and 1401; Statutes 1985, Chapters 920 and 1454; Statutes 1986, Chapters 46 and 394; Statutes 1987, Chapter 1118; Statutes 1989, Chapter 136; Statutes 1991, Chapter 114; Statutes 1992, Chapter 703; Statutes 1993, Chapters 8, 66, 67, and 1124; Statutes 1994, Chapters 153 and 422; Statutes 1995, Chapter 308; Statutes 1996, Chapter 63; and Statutes 1999, Chapter 72; California Code of Regulations, Title 5, Sections 58501 – 58503.

Filed on June 28, 2000,

By Los Rios Community College District, Claimant
and

Education Code Section 76300; Statutes 1984xx, Chapter 1; Statutes 1984, Chapters 274 and 1401; Statutes 1985, Chapters 920 and 1454; Statutes 1986, Chapters 46 and 394; Statutes 1987, Chapter 1118; Statutes 1989, Chapter 136; Statutes 1993, Chapters 8, 66, 67, and 1124; Statutes 1994, Chapters 153 and 422; Statutes 1995, Chapter 308; Statutes 1996, Chapter 63; and Statutes 1999, Chapter 72; California Code of Regulations, Title 5, Sections 58611 – 58613, 58620, 58630;

Filed on June 4, 2001,

By Glendale Community College District, Claimant.

No. 99-TC-13 and 00-TC-15

Enrollment Fee Collection and Waivers

ADOPTION OF PARAMETERS AND GUIDELINES PURSUANT TO GOVERNMENT CODE SECTION 17557 AND TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 1183.14

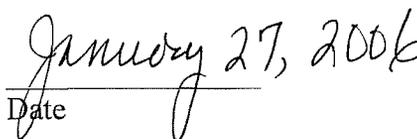
(Adopted on January 26, 2006)

PARAMETERS AND GUIDELINES

On January 26, 2006, the Commission on State Mandates adopted the attached Parameters and Guidelines.



e Director



Date

MAILED: Mail List FAXED: _____
DATE: 1/27/06 INITIAL: LD _____
CHRON: FILE: _____
WORKING BINDER: _____

PROPOSED PARAMETERS AND GUIDELINES, AS MODIFIED BY STAFF

Education Code Section 76300

California Code of Regulations, Title 5, Sections 58501- 58503;
58611- 58613, 58620, 58630

Enrollment Fee Collection and Waivers (99-TC-13 and 00-TC-15)

Los Rios and Glendale Community College Districts, Claimants

I. SUMMARY OF THE MANDATE

Claimant Los Rios Community College District (LRCCD), submitted the *Enrollment Fee Collection* test claim (99-TC-13) in June 2000 alleging a reimbursable state mandate for community college districts by requiring specific new activities and costs related to collecting enrollment fees. Claimant Glendale Community College District (GCCD) submitted the *Enrollment Fee Waivers* (00-TC-15) test claim in June 2001 alleging a reimbursable state mandate for community college districts by requiring specific new activities and costs related to granting fee waivers, Board of Governor's (BOG) Grants and financial assistance to students. In August 2002, the *Enrollment Fee Collection* and *Enrollment Fee Waiver* test claims were consolidated.

On April 24, 2003, the Commission on State Mandates (Commission) adopted the Statement of Decision for the *Enrollment Fee Collection and Waivers* program. The Commission found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on community college districts within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514. Accordingly, the Commission approved this test claim for the following reimbursable activities:

- Calculating and collecting the student enrollment fee for each student enrolled except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f). (Ed. Code, § 76300, subs. (a) & (b); Cal. Code Regs., tit. 5, §§ 58501, 58502 & 58503.)
- Waiving student fees in accordance with the groups listed in Education Code section 76300, subdivisions (g) and (h).
- Waiving fees for students who apply for and are eligible for BOG fee waivers. (Cal. Code Regs., tit. 5, §§ 58612, 58613 & 58620.)
- Reporting to the Community Colleges Chancellor (CCC) the number of and amounts provided for BOG fee waivers. (Cal. Code Regs., tit. 5, § 58611.)
- Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance. (Cal. Code Regs., tit. 5, § 58630, subd. (b).)

The Commission found that all other test claim statutes and regulations not cited above do not impose reimbursable state-mandated activities within the meaning of article XIII B, section 6 and Government Code section 17514.

II. ELIGIBLE CLAIMANTS

Any community college district that incurs increased costs as a direct result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that fiscal year. The test claim for *Enrollment Fee Collection* (99-TC-13) was filed in June 2000, and the test claim for *Enrollment Fee Waivers* (00-TC-15) was filed in June 2001. Thus, costs incurred for compliance with *Enrollment Fee Collection* are reimbursable on or after July 1, 1998, and costs incurred for compliance with *Enrollment Fee Waivers* are reimbursable on or after July 1, 1999.

Actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.

If the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. Enrollment Fee Collection (*Reimbursement Period begins July 1, 1998*)

1. One-Time Activities

a. Policies and Procedures

Prepare district policies and procedures for the collection of enrollment fees.

b. Staff Training (One-time per employee)

Training district staff that implement the program on the procedures for the collection of enrollment fees.

2. Ongoing Activities

a. Calculating and collecting the student enrollment fee for each student enrolled, except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f). (Ed. Code, §76300, subs. (a) & (b); Cal. Code Regs., tit. 5, §§ 58501, 58502 & 58503). This includes:

- i. Referencing student accounts and records to determine course workload, status of payments, and eligibility for fee waiver. Printing a list of enrolled courses.
- ii. Calculating the total enrollment fee to be collected. Identifying method of payment. Collecting cash and making change as necessary. Processing credit card and other non-cash payment transactions (however, any fees that may be charged to a community college district by a credit card company or bank are not reimbursable). Preparing a receipt for payment received.
- iii. Answering student's questions regarding enrollment fee collection or referring them to the appropriate person for an answer.
- iv. Updating written and computer records for the enrollment fee information and providing a copy to the student. Copying and filing enrollment fee documentation.
- v. Collecting delinquent enrollment fees, including written or telephonic collection notices to students, turning accounts over to collection agencies, or small claims court action.
- vi. For students who establish fee waiver eligibility after the enrollment fee has been collected, providing a refund or enrollment fees paid and updating student and district records as required. (Refund process for change in program is not reimbursable).

B. Enrollment Fee Waiver (*Reimbursement Period begins July 1, 1999*)

1. One-Time Activities

a. Policies and Procedures

Prepare district policies and procedures for determining which students are eligible for waiver of the enrollment fees.

b. Staff Training (One-time per employee)

Training district staff that implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee.

2. Ongoing Activities

- a. Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation that will enable an independent determination regarding accuracy of the district's certification of need for financial assistance. (Cal. Code Regs., tit. 5, § 58630, subd. (b).)

Recording and maintaining records that document all of the financial assistance provided to students for the waiver of enrollment fees in a manner that will enable an independent determination of the district's certification of the need for financial assistance. (Cal. Code Regs., tit. 5, § 58630, subd. (b).)

- b. Waiving student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h).) Waiving fees for students who apply for and are eligible for BOG fee waivers (Cal. Code Regs., tit. 5 §§ 58612, 58613 & 58620). This includes:

- i. Answering student's questions regarding enrollment fee waivers or referring them to the appropriate person for an answer.
- ii. Receiving of waiver applications from students by mail, fax, computer online access, or in person, or in the form of eligibility information processed by the financial aid office.
- iii. Evaluating each application and verification documents (dependency status, household size and income, SSI and TANF/CalWorks, etc.) for compliance with eligibility standards utilizing information provided by the student, from the student financial aid records (e.g., Free Application for Federal Student Aid (FAFSA)), and other records.
- iv. In the case of an incomplete application or incomplete documentation, notify the student of the additional required information and how to obtain that information. Hold student application and documentation in suspense file until all information is received.
- v. In the case of an approved application, copy all documentation and file the information for further review or audit. Entering the approved application information into district records and /or notifying other personnel performing other parts of the process (e.g., cashier's office). Providing the student with proof of eligibility or an award letter, and file paper documents in the annual file.
- vi. In the case of a denied application, reviewing and evaluating additional information and documentation provided by the student if the denial is appealed by the student. Provide written notification to the student of the results of the appeal or any change in eligibility status.

- c. Reporting to the CCC the number of and amounts provided for BOG fee waivers. (Cal. Code Regs., tit. 5, § 58611.)

V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter¹ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

¹ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

VII. OFFSETTING SAVINGS AND REIMBURSEMENTS

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

Enrollment Fee Collection Program:

The costs of the Enrollment Fee Collection program are subject to an offset of two percent (2%) of the revenue from enrollment fees (Ed. Code, § 76000, subd. (c)).

Enrollment Fee Waiver Program:

The costs of the Enrollment Fee Waiver program are subject to the following offsets:

July 1, 1999 to July 4, 2000:

- For low income students² or recipients of public assistance,³ or dependents or surviving spouses of National Guard soldiers killed in the line of duty,⁴ as defined:
 - an offset identified in Education Code section 76300, subdivision (m), that requires the Community College Board of Governors, from funds in the annual budget act, to allocate to community colleges two percent (2%) of the fees waived, under subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined] of section 76300; and
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined), or dependents or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived:

² “[A]ny student who demonstrates eligibility according to income standards established by the board of governors and contained in Section 58260 of Title 5 of the California Code of Regulations.” (Ed. Code, § 76300, subd. (g)(2).)

³ “[A]ny student who, at the time of enrollment, is a recipient of benefits under the Temporary Assistance to Needy Families program, the Supplemental Security Income/State Supplementary Program, or a general assistance program or has demonstrated 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.” (Ed. Code, § 76300, subd. (g)(1).)

⁴ “[A]ny student who, at the time of enrollment is a dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. “Active service of the state,” for the purposes of this subdivision, refers to a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.” (Ed. Code, § 76300, subd. (h).)

- from funds provided in the annual State Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to seven percent (7%) of the fee waivers provided pursuant to subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined].⁵

Beginning July 5, 2000:

- For low income students (as defined, or recipients of public assistance (as defined) or dependents or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived (as defined):
 - an offset identified in Education Code section 76300, subdivision (m), that requires the Community College Board of Governors, from funds in the annual budget act, to allocate to community colleges two percent (2%) of the fees waived, under subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents of California National Guard soldiers killed in the line of duty as defined] of section 76300;
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined) for whom fees are waived
 - requires the Board of Governors to allocate from funds in the annual State Budget Act ninety-one cents (\$0.91) per credit unit waived pursuant to subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents of California National Guard soldiers killed in the line of duty as defined]
- Any budget augmentation received under the Board Financial Assistance Program Administrative Allowance, or any other state budget augmentation received for administering the fee waiver program.

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

⁵ These waiver provisions were subsequently expanded to waive fees for children of law enforcement personnel or firefighters killed in the line of duty (Ed. Code, § 76300, subd. (i)), or dependents of victims of the September 11, 2001 terrorist attacks (Ed. Code, § 76300, subd. (j)), but these parameters and guidelines do not include those waiver recipients because they were added by Statutes 2002, chapter 450 and are outside the scope of the Statement of Decision.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

June 21, 2007

State-Local Working Group Proposal to Improve the Mandate Process

LEGISLATIVE ANALYST'S OFFICE





Concerns With Mandate Process

- Process takes a long time, posing difficulties for state and local governments.
 - Currently takes over five years from local government “test claim” filing to final action by Commission on State Mandates.
 - During this time, local governments do not receive reimbursements and state liabilities mount.
 - Length of process also complicates state policy review because the Legislature receives a mandate’s cost information years after the debate regarding its imposition has concluded.

- Claiming reimbursement is exceedingly complicated.
 - Most mandates are not complete programs, but impose increased requirements on ongoing local programs. Measuring the cost to carry out these marginal changes is complex.
 - Instead of relying on unit costs or other approximations of local costs, reimbursement methodologies (or “parameters and guidelines”) typically require local governments to document their actual costs to carry out each element of the mandate.
 - The documentation required makes it difficult for local governments to file claims and leads to disputes with the State Controller’s Office.
 - Because the commission bases its estimate of a mandate’s costs on initial claims submitted by local governments, the commission’s estimates typically are inaccurate. Over time, local governments increase their ability to comply with the reimbursement methodology and claims increase substantially.



Working Group Proposal Overview

- Goals and focus:
 - Simplify and expedite the mandate determination process.
 - Procedural reform, focusing on period between imposition of a mandate and the report of the mandate to the Legislature.
 - Avoid “tilting the scales” to favor state or local interests, or giving greater authority to the administration, Legislature, or local governments.

- Includes three alternatives—use of any alternative would require the consent of the local government claimant and Department of Finance.

- Proposal is in the form of amendments to AB 1222 (Laird).



First Change: Amend the Reasonable Reimbursement Methodology Statute

- Expand the use of unit-based and other simple claiming methodologies by clarifying the type of easy-to-administer methodologies that the Legislature envisioned when it enacted this statute.
- Greater reliance on simple claiming methodologies would reduce:
 - Local costs to file claims.
 - State costs to process and audit claims.
 - Disputes regarding mandate claims and appeals to the commission regarding State Controller claim reductions. Reducing commission work to hear appeals would give it more time to focus on mandate determinations.



Second Change: Allow Reimbursement Methodologies to Be Developed Through Negotiations

- Create a process whereby local governments and the department jointly develop a mandate's reimbursement methodology and estimate its costs.

- Department of Finance and claimant responsibilities:
 - Propose a negotiations work plan. Plan must ensure that costs from a representative sample of local claimants are considered.
 - Jointly review local cost data.
 - Develop a reasonable reimbursement methodology. Assess local support. Modify methodology to secure local support. Specify a date when the department and test claimant will reconsider methodology to ensure that it remains useful over time.
 - Use the methodology to provide the Legislature an estimate of its statewide costs.

- Commission on State Mandates responsibilities.
 - Review methodology to ensure that parties considered costs from a representative sample of local governments and that the methodology is supported by a wide range of local governments.
 - Review the methodology for general consistency with the underlying Statement of Decision.
 - Adopt the methodology and report statewide costs.

- Advantages of negotiated process.
 - Realizes all of the benefits of the reasonable reimbursement methodology approach previously described.
 - Trims at least a year from the current five-year mandate process.



Third Change: Authorize Fast Track Legislative Mandate Determinations

- Create a process whereby local governments and the department may jointly propose that a state requirement be declared a “legislatively determined mandate” and propose a reimbursement methodology. The commission would not play a role in this alternative.

- Joint Department of Finance and claimant responsibilities:
 - Identify state requirements to propose for legislatively determined mandate.
 - Propose a reimbursement methodology and estimate of statewide costs.
 - Provide Legislature evidence of local support for reimbursement methodology.

- Legislature’s alternatives:
 - May adopt proposal, or amend and adopt proposal. Enact a statute declaring the state requirement to be a legislatively determined mandate and specifying the reimbursement methodology. Appropriate required funding.
 - May reject proposal.
 - May repeal, suspend, or modify the mandate.



Third Change: Authorize Fast Track Legislative Mandate Determinations

(Continued)



Local government options:

- May accept funding provided for mandate. Such an action signifies that the local government accepts the methodology as reimbursement for the funding period (say, five years). During this time, the local government may not file a test claim or accept other reimbursement for this mandate, unless the state does not provide the funding specified in statute. At the end of the funding period, works with the department to update the reimbursement methodology.
- May reject funding and file a test claim with the commission.



Advantages of process.

- Realizes all of the benefits of the reasonable reimbursement methodology approach previously described.
- Resolves mandate claims in about a year, four years less than current process.
- Reduces the commission's caseload, freeing up time for it to focus on other claims.

CERRITOS COMMUNITY COLLEGE DISTRICT

Audit Report

ENROLLMENT FEE COLLECTION AND WAIVERS PROGRAM

Education Code section 76300; and
Title 5, *California Code of Regulations*,
Sections 58501-58503, 58611-58613, 58620, and 58630

July 1, 1998, through June 30, 2011



JOHN CHIANG
California State Controller

March 2014



JOHN CHIANG
California State Controller

March 28, 2014

Carmen Avalos, President
Board of Trustees
Cerritos Community College District
11110 Alondra Boulevard
Norwalk, CA 90650-6203

Dear Ms. Avalos:

The State Controller's Office audited the costs claimed by the Cerritos Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300; and Title 5, *California Code of Regulations*, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2011.

The district claimed \$6,989,823 for the mandated program. Our audit found that \$209,641 is allowable (\$231,386 less a \$21,745 penalty for filing late claims) and \$6,780,182 is unallowable. The costs are unallowable because the district claimed estimated costs that were not supported by source documentation, claimed ineligible time, overstated student enrollment numbers, understated the number of BOGG fee waivers, misstated indirect cost rates, overstated/understated staff productive hourly rates, and misstated offsetting reimbursements. The State paid the district \$45,554. Allowable costs claimed exceed the amount paid by \$164,087.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at www.csm.ca.gov/docs/IRCForm.pdf.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

cc: Linda L. Lacy, Ph.D., President/Superintendent
Cerritos Community College District
Ali Delawalla, Director of Fiscal Services
Cerritos Community College District
David El Fattal, Vice President, Business Services/Assistant Superintendent
Cerritos Community College District
Christine Atalig, Specialist
College Finance and Facilities Planning
California Community Colleges Chancellor's Office
Mollie Quasebarth, Principal Program Budget Analyst
Education Systems Unit
California Department of Finance
Mario Rodriguez, Finance Budget Analyst
Education Systems Unit
California Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the Cerritos Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300; and Title 5, *California Code of Regulations*, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2011.

The district claimed \$6,989,823 for the mandated program. Our audit found that \$209,641 is allowable (\$231,386 less a \$21,745 penalty for filing late claims) and \$6,780,182 is unallowable. The costs are unallowable because the district claimed estimated costs that were not supported by source documentation, claimed ineligible time, overstated student enrollment numbers, understated the number of BOGG fee waivers, misstated indirect cost rates, overstated/understated staff productive hourly rates, and misstated offsetting reimbursements. The State paid the district \$45,554. Allowable costs claimed exceed the amount paid by \$164,087.

Background

Education Code section 76300 and Title 5, *California Code of Regulations*, sections 58501-58503, 58611-58613, 58620, and 58630 authorize community college districts to calculate and collect student enrollment fees and to waive student fees in certain instances. The codes also direct community college districts to report the number of, and amounts provided for Board of Governor Grants (BOGG) and to adopt procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5, *California Code of Regulations*.

The sections were added and/or amended by:

- Chapter 1, Statutes of 1984;
- Chapters 274 and 1401, Statutes of 1984;
- Chapters 920 and 1454, Statutes of 1985;
- Chapters 46 and 395, Statutes of 1986;
- Chapter 1118, Statutes of 1987;
- Chapter 136, Statutes of 1989;
- Chapter 114, Statutes of 1991;
- Chapter 703, Statutes of 1992;
- Chapters 8, 66, 67, and 1124, Statutes of 1993;
- Chapters 153 and 422, Statutes of 1994;
- Chapter 308, Statutes of 1995;
- Chapter 63, Statutes of 1996; and
- Chapter 72, Statutes of 1999.

On April 24, 2003, the Commission on State Mandates (CSM) adopted the Statement of Decision for the Enrollment Fee Collection and Waivers Program. The CSM found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on community college districts within the meaning of Article XIII B, Section 6 of the California Constitution and Government Code section 17514.

The CSM found that the following activities are reimbursable:

- Calculating and collecting the student enrollment fee for each student enrolled except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f).
- Waiving student fees in accordance with the groups listed in Education Code section 76300, subdivisions (g) and (h).
- Waiving fees for students who apply for and are eligible for Board of Governors (BOG) fee waivers.
- Reporting to the Community Colleges Chancellor the number of and amounts provided for BOG waivers.
- Adopting procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5 of the *California Code of Regulations*; and including in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 26, 2006. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and 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 Enrollment Fee Collection and Waivers Program for the period of July 1, 1998, through June 30, 2011.

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

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We 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.

Conclusion

Our audit found 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 Cerritos Community College District claimed \$6,989,823 for costs of the Enrollment Fee Collection and Waivers Program. Our audit found that \$269,641 is allowable (\$231,386 less a \$21,745 penalty for filing late claims) and \$6,780,182 is unallowable.

For the fiscal year (FY) 1998-99 claim, the State paid the district \$45,554. Our audit found that \$23,785 is allowable. The State will offset \$21,769 from other mandated program payments due to the district. Alternatively, the district may remit this amount to the State.

For the FY 1999-2000 claim, the State made no payment to the district. Our audit found that \$28,768 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$28,768, contingent upon available appropriations.

For the FY 2000-01 claim, the State made no payment to the district. Our audit found that \$40,074 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$40,074, contingent upon available appropriations.

For the FY 2001-02 claim, the State made no payment to the district. Our audit found that \$51,421 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$51,421, contingent upon available appropriations.

For the FY 2002-03 claim, the State made no payment to the district. Our audit found that \$38,635 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$38,635, contingent upon available appropriations.

For the FY 2003-04 claim, the State made no payment to the district. Our audit found that \$6,142 is allowable. The State will pay allowable costs that exceed the amount paid, totaling \$6,142, contingent upon available appropriations.

For the FY 2004-05 through FY 2008-09 claims, the State made no payments to the district. Our audit found that the costs claimed are unallowable.

For the FY 2009-10 claim, the State made no payment to the district. Our audit found that \$6,871 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$6,871, contingent upon available appropriations.

For the FY 2010-11 claim, the State made no payment to the district. Our audit found that \$13,945 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$13,945, contingent upon available appropriations.

**Views of
Responsible
Official**

We issued a draft report on February 20, 2014. David El Fattal, Vice President, Business Services responded by letter dated March 13, 2014 (Attachment), disagreeing with the audit results for Finding 1. The district did not provide a response as to whether it agreed with Findings 2 through 5.

Based on the district's response, we increased allowable costs by \$145,362, from \$64,279 to \$209,641. These changes are discussed in Findings 1, 3, and 4. Penalties for filing late claims were also affected.

Restricted Use

This report is solely for the information and use of the Cerritos 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, CPA
Chief, Division of Audits

March 28, 2014

**Schedule 1—
Summary of Program Costs
July 1, 1998, through June 30, 2011**

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment ¹	Reference
<u>July 1, 1998, through June 30, 1999</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and Collecting Enrollment Fees	\$ 347,086	\$ 64,290	\$ (282,796)	Finding 1
Total direct costs	347,086	64,290	(282,796)	
Indirect costs	136,405	10,016	(126,389)	Finding 3
Total direct and indirect costs	483,491	74,306	(409,185)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(36,202)	(47,878)	(11,676)	Finding 4
Subtotal	447,289	26,428	(420,861)	
Less late filing penalty	—	(2,643)	(2,643)	
Total program costs	<u>\$ 447,289</u>	23,785	<u>\$ (423,504)</u>	
Less amount paid by the State		(45,554)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (21,769)</u>		
<u>July 1, 1999, through June 30, 2000</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 390,263	\$ 72,027	\$ (318,236)	Finding 1
Total direct costs	390,263	72,027	(318,236)	
Indirect costs	157,393	8,478	(148,915)	Finding 3
Total direct and indirect costs	547,656	80,505	(467,151)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(35,648)	(48,541)	(12,893)	Finding 4
Subtotal - Enrollment Fee Collection	512,008	31,964	(480,044)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	238	238	—	
Staff training	131	131	—	
Waiving student fees	103,109	39,378	(63,731)	Finding 2
Reporting BOG fee waiver data to CCCCCO	66	66	—	
Total direct costs	103,544	39,813	(63,731)	
Indirect costs	41,760	4,686	(37,074)	Finding 3
Total direct and indirect costs	145,304	44,499	(100,805)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(113,801)	(137,321)	(23,520)	Finding 4
Adjustment for unused portion of offsets ²	—	92,822	92,822	Finding 4
Subtotal - Enrollment Fee Waivers	31,503	—	(31,503)	
Total costs	543,511	31,964	(511,547)	
Less late filing penalty	—	(3,196)	(3,196)	
Total program costs	<u>\$ 543,511</u>	28,768	<u>\$ (514,743)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 28,768</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment ¹	Reference
<u>July 1, 2000, through June 30, 2001</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 466,916	\$ 85,005	\$ (381,911)	Finding 1
Total direct costs	466,916	85,005	(381,911)	
Indirect costs	153,055	9,699	(143,356)	Finding 3
Total direct and indirect costs	619,971	94,704	(525,267)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(37,121)	(50,177)	(13,056)	Finding 4
Subtotal - Enrollment Fee Collection	582,850	44,527	(538,323)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	162	162	—	
Staff training	102	102	—	
Waiving Student Fees	113,801	44,421	(69,380)	Finding 2
Reporting BOG fee waiver data to CCCCCO	68	68	—	
Total direct costs	114,133	44,753	(69,380)	
Indirect costs	37,413	5,106	(32,307)	Finding 3
Total direct and indirect costs	151,546	49,859	(101,687)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(114,133)	(181,749)	(67,616)	Finding 4
Adjustment for unused portion of offsets ²	—	131,890	131,890	Finding 4
Subtotal - Enrollment Fee Waivers	37,413	—	(37,413)	
Total costs	620,263	44,527	(575,736)	
Less late filing penalty	—	(4,453)	(4,453)	
Total program costs	\$ 620,263	40,074	\$ (580,189)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ 40,074		
<u>July 1, 2001, through June 30, 2002</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 529,630	\$ 96,478	\$ (433,152)	Finding 1
Total direct costs	529,630	96,478	(433,152)	
Indirect costs	167,257	11,597	(155,660)	Finding 3
Total direct and indirect costs	696,887	108,075	(588,812)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(35,950)	(50,941)	(14,991)	Finding 4
Subtotal - Enrollment Fee Collection	660,937	57,134	(603,803)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	172	172	—	
Staff training	215	215	—	
Adopt procedures, record and maintain records	—	—	—	
Waiving student fees	123,895	48,611	(75,284)	Finding 2
Reporting BOG fee waiver data to CCCCCO	72	72	—	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment ¹	Reference
<u>July 1, 2001, through June 30, 2002 (continued)</u>				
Total direct costs	124,354	49,070	(75,284)	Finding 3
Indirect costs	39,271	5,899	(33,372)	
Total direct and indirect costs	163,625	54,969	(108,656)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(124,354)	(189,947)	(65,593)	Finding 4
Adjustment for unused portion of offsets ²	—	134,978	134,978	Finding 4
Subtotal - Enrollment Fee Waivers	39,271	—	(39,271)	
Total costs	700,208	57,134	(643,074)	
Less late filing penalty	—	(5,713)	(5,713)	
Total program costs	<u>\$ 700,208</u>	51,421	<u>\$ (648,787)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 51,421</u>		
<u>July 1, 2002, through June 30, 2003</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 532,896	\$ 83,650	\$ (449,246)	Finding 1
Total direct costs	532,896	83,650	(449,246)	
Indirect costs	155,925	10,766	(145,159)	Finding 3
Total direct and indirect costs	688,821	94,416	(594,405)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(34,964)	(51,488)	(16,524)	Finding 4
Subtotal - Enrollment Fee Collection	653,857	42,928	(610,929)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	179	179	—	
Staff training	186	186	—	
Waiving student fees	139,828	94,740	(45,088)	Finding 2
Reporting BOG fee waiver data to CCCCCO	74	74	—	
Total direct costs	140,267	95,179	(45,088)	
Indirect costs	41,042	12,250	(28,792)	Finding 3
Total direct and indirect costs	181,309	107,429	(73,880)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(140,267)	(207,915)	(67,648)	Finding 4
Adjustment for unused portion of offsets ²	—	100,486	100,486	Finding 4
Subtotal - Enrollment Fee Waivers	41,042	—	(41,042)	
Total costs	694,899	42,928	(651,971)	
Less late filing penalty	—	(4,293)	(4,293)	
Total program costs	<u>\$ 694,899</u>	38,635	<u>\$ (656,264)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 38,635</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment ¹	Reference
<u>July 1, 2003, through June 30, 2004</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 642,859	\$ 73,063	\$ (569,796)	Finding 1
Total direct costs	642,859	73,063	(569,796)	
Indirect costs	181,029	10,126	(170,903)	Finding 3
Total direct and indirect costs	823,888	83,189	(740,699)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(69,659)	(76,364)	(6,705)	Finding 4
Subtotal - Enrollment Fee Collection	754,229	6,825	(747,404)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	200	200	—	
Staff training	287	287	—	
Waiving student fees	93,030	86,100	(6,930)	Finding 2
Reporting BOG fee waiver data to CCCCCO	82	82	—	
Total direct costs	93,599	86,669	(6,930)	
Indirect costs	26,357	12,012	(14,345)	Finding 3
Total direct and indirect costs	119,956	98,681	(21,275)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(93,608)	(252,868)	(159,260)	Finding 4
Adjustment for unused portion of offsets ²	—	154,187	154,187	Finding 4
Subtotal - Enrollment Fee Waivers	26,348	—	(26,348)	
Total costs	780,577	6,825	(773,752)	
Less late filing penalty	—	(683)	(683)	
Total program costs	\$ 780,577	6,142	\$ (774,435)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ 6,142		
<u>July 1, 2004, through June 30, 2005</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 407,028	\$ 43,264	\$ (363,764)	Finding 1
Total direct costs	407,028	43,264	(363,764)	
Indirect costs	138,837	11,422	(127,415)	Finding 3
Total direct and indirect costs	545,865	54,686	(491,179)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(109,137)	(96,726)	12,411	Finding 4
Adjustment for unused portion of offsets ²	—	42,040	42,040	Finding 4
Subtotal - Enrollment Fee Collection	436,728	—	(436,728)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment ¹	Reference
<u>July 1, 2004, through June 30, 2005 (continued)</u>				
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	390	390	—	
Staff training	988	988	—	
Waiving student fees	176,511	116,698	(59,813)	Finding 2
Reporting BOG fee waiver data to CCCCCO	88	88	—	
Total salaries and benefits	177,977	118,164	(59,813)	
Indirect costs	60,708	31,195	(29,513)	Finding 3
Total direct and indirect costs	238,685	149,359	(89,326)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(177,977)	(319,807)	(141,830)	Finding 4
Adjustment for unused portion of offsets ²	—	170,448	170,448	Finding 4
Subtotal - Enrollment Fee Waivers	60,708	—	(60,708)	
Total costs	497,436	—	(497,436)	
Less late filing penalty	—	—	—	
Total program costs	\$ 497,436	—	\$ (497,436)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ —		
<u>July 1, 2005, through June 30, 2006</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 395,306	\$ 39,528	\$ (355,778)	Finding 1
Total direct costs	395,306	39,528	(355,778)	
Indirect costs	121,280	10,384	(110,896)	Finding 3
Total direct and indirect costs	516,586	49,912	(466,674)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(103,707)	(97,219)	6,488	Finding 4
Adjustment for unused portion of offsets ²	—	47,307	47,307	Finding 4
Subtotal - Enrollment Fee Collection	412,879	—	(412,879)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	142,518	109,224	(33,294)	Finding 2
Total direct costs	142,518	109,224	(33,294)	Finding 3
Indirect costs	43,725	28,693	(15,032)	
Total direct and indirect costs	186,243	137,917	(48,326)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(142,518)	(292,989)	(150,471)	Finding 4
Adjustment for unused portion of offsets ²	—	155,072	155,072	Finding 4
Subtotal - Enrollment Fee Waivers	43,725	—	(43,725)	
Total costs	456,604	—	(456,604)	
Less late filing penalty	—	—	—	
Total program costs	\$ 456,604	—	\$ (456,604)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ —		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment ¹	Reference
<u>July 1, 2006, through June 30, 2007</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 345,625	\$ 34,544	\$ (311,081)	Finding 1
Total direct costs	345,625	34,544	(311,081)	
Indirect costs	119,517	10,509	(109,008)	Finding 3
Total direct and indirect costs	465,142	45,053	(420,089)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(103,999)	(95,796)	8,203	Finding 4
Adjustment for unused portion of offsets ²	—	50,743	50,743	Finding 4
Subtotal - Enrollment Fee Collection	361,143	—	(361,143)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	84,657	115,082	30,425	Finding 2
Total direct costs	84,657	115,082	30,425	
Indirect costs	29,275	35,008	5,733	Finding 3
Total direct and indirect costs	113,932	150,090	36,158	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(84,657)	(303,417)	(218,760)	Finding 4
Adjustment for unused portion of offsets ²	—	153,327	153,327	Finding 4
Subtotal - Enrollment Fee Waivers	29,275	—	(29,275)	
Total costs	390,418	—	(390,418)	
Less late filing penalty	—	—	—	
Total program costs	<u>\$ 390,418</u>	—	<u>\$ (390,418)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2007, through June 30, 2008</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 421,554	\$ 30,738	\$ (390,816)	Finding 1
Total direct costs	421,554	30,738	(390,816)	
Indirect costs	145,774	8,899	(136,875)	Finding 3
Total direct and indirect costs	567,328	39,637	(527,691)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(92,190)	(74,349)	17,841	Finding 4
Adjustment for unused portion of offsets ²	—	34,712	34,712	Finding 4
Subtotal - Enrollment Fee Collection	475,138	—	(475,138)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment ¹	Reference
<u>July 1, 2007, through June 30, 2008 (continued)</u>				
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	94,667	126,151	31,484	Finding 2
Total direct costs	94,667	126,151	31,484	
Indirect costs	32,736	36,521	3,785	Finding 3
Total direct and indirect costs	127,403	162,672	35,269	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(94,667)	(296,399)	(201,732)	Finding 4
Adjustment for unused portion of offsets ²	—	133,727	133,727	Finding 4
Subtotal - Enrollment Fee Waivers	32,736	—	(32,736)	
Total program costs	<u>\$ 507,874</u>	—	<u>\$ (507,874)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2008, through June 30, 2009</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 528,379	\$ 32,583	\$ (495,796)	Finding 1
Total direct costs	528,379	32,583	(495,796)	
Indirect costs	162,741	9,283	(153,458)	Finding 3
Total direct and indirect costs	691,120	41,866	(649,254)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(84,185)	(84,914)	(729)	
Adjustment for unused portion of offsets ²	—	43,048	43,048	Finding 4
Subtotal - Enrollment Fee Collection	606,935	—	(606,935)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	113,194	151,084	37,890	Finding 2
Total direct costs	113,194	151,084	37,890	
Indirect costs	34,864	43,044	8,180	Finding 3
Total direct and indirect costs	148,058	194,128	46,070	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(113,195)	(267,973)	(154,778)	Finding 4
Adjustment for unused portion of offsets ²	—	73,845	73,845	Finding 4
Subtotal - Enrollment Fee Waivers	34,863	—	(34,863)	
Total costs	641,798	—	(641,798)	
Less late filing penalty	—	—	—	
Total program costs	<u>\$ 641,798</u>	—	<u>\$ (641,798)</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 ¹	Reference
<u>July 1, 2009, through June 30, 2010</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare district policies and procedures	\$ 646	\$ 646	\$ —	
Staff training	646	646	—	
Calculating and collecting enrollment fees	<u>328,918</u>	<u>66,743</u>	<u>(262,175)</u>	Finding 1
Total direct costs	330,210	68,035	(262,175)	
Indirect costs	<u>101,705</u>	<u>21,533</u>	<u>(80,172)</u>	Finding 3
Total direct and indirect costs	431,915	89,568	(342,347)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	<u>(69,444)</u>	<u>(81,933)</u>	<u>(12,489)</u>	Finding 4
Subtotal - Enrollment Fee Collection	<u>362,471</u>	<u>7,635</u>	<u>(354,836)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	646	646	—	
Staff training	646	646	—	
Waiving student fees	136,042	117,894	(18,148)	Finding 2
Reporting BOG fee waiver data to CCCCCO	<u>1,292</u>	<u>1,292</u>	<u>—</u>	
Total direct costs	138,626	120,478	(18,148)	
Indirect costs	<u>42,697</u>	<u>38,130</u>	<u>(4,567)</u>	Finding 3
Total direct and indirect costs	181,323	158,608	(22,715)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	<u>(181,323)</u>	<u>(298,954)</u>	<u>(117,631)</u>	Finding 4
Adjustment for unused portion of offsets ²	<u>—</u>	<u>140,346</u>	<u>140,346</u>	
Subtotal - Enrollment Fee Waivers	<u>—</u>	<u>—</u>	<u>—</u>	
Total costs	362,471	7,635	(354,836)	
Less late filing penalty	<u>—</u>	<u>(764)</u>	<u>(764)</u>	
Total program costs	<u>\$ 362,471</u>	6,871	<u>\$ (355,600)</u>	
Less amount paid by the State				
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 6,871</u>		
<u>July 1, 2010, through June 30, 2011</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare district policies and procedures	\$ 646	\$ 646	\$ —	
Staff training	647	647	—	
Calculating and collecting enrollment fees	<u>295,980</u>	<u>60,123</u>	<u>(235,857)</u>	Finding 1
Total direct costs	297,273	61,416	(235,857)	
Indirect costs	<u>101,132</u>	<u>19,248</u>	<u>(81,884)</u>	Finding 3
Total direct and indirect costs	398,405	80,664	(317,741)	
Less enrollment fee collection offsets	<u>(51,930)</u>	<u>(66,719)</u>	<u>(14,789)</u>	Finding 4
Subtotal - Enrollment Fee Collection	<u>346,475</u>	<u>13,945</u>	<u>(332,530)</u>	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment ¹	Reference
<u>July 1, 2010, through June 30, 2011 (continued)</u>				
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	646	646	—	
Staff training	646	646	—	
Waiving student fees	144,485	125,274	(19,211)	Finding 2
Reporting BOG fee waiver data to CCCCCO	<u>1,292</u>	<u>1,292</u>	<u>—</u>	
Total direct costs	147,069	127,858	(19,211)	
Indirect costs	<u>50,033</u>	<u>40,070</u>	<u>(9,963)</u>	Finding 3
Total direct and indirect costs	197,102	167,928	(29,174)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(197,102)	(342,177)	(145,075)	Finding 4
Adjustment for unused portion of offsets ²	<u>—</u>	<u>174,249</u>	<u>174,249</u>	Finding 4
Subtotal - Enrollment Fee Waivers	<u>—</u>	<u>—</u>	<u>—</u>	
Total program costs	<u>\$ 346,475</u>	13,945	<u>\$ (332,530)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 13,945</u>		
<u>Summary: July 1, 1998, through June 30, 2011</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare district policies and procedures	\$ 1,292	\$ 1,292	\$ —	
Staff training	1,293	1,293	—	
Calculating and collecting enrollment fees	<u>5,632,440</u>	<u>782,036</u>	<u>(4,850,404)</u>	
Total direct costs	5,635,025	784,621	(4,850,404)	
Indirect costs	<u>1,842,050</u>	<u>151,960</u>	<u>(1,690,090)</u>	
Total direct and indirect costs	7,477,075	936,581	(6,540,494)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(864,136)	(923,045)	(58,909)	
Adjustment for unused portion of offsets ²	<u>—</u>	<u>217,850</u>	<u>(217,850)</u>	
Total - Enrollment fee collection	<u>6,612,939</u>	<u>231,386</u>	<u>(6,381,553)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	2,633	2,633	—	
Staff training	3,201	3,201	—	
Waiving student fees	1,465,737	1,174,657	(291,080)	
Reporting BOG fee waiver data to CCCCCO	<u>3,034</u>	<u>3,034</u>	<u>—</u>	
Total direct costs	1,474,605	1,183,525	(291,080)	
Indirect costs	<u>479,881</u>	<u>292,614</u>	<u>(187,267)</u>	
Total direct and indirect costs	1,954,486	1,476,139	(478,347)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment ¹	Reference
<u>Summary: July 1, 1998, through June 30, 2011 (continued)</u>				
Less offsetting saving and reimbursements:			—	
Enrollment fee waivers	(1,577,602)	(3,091,516)	(1,513,914)	
Adjustment for unused portion of offsets ²	—	1,615,377	(1,615,377)	
Total - enrollment fee waivers	376,884	—	(3,607,638)	
Total costs	6,989,823	231,386	(6,758,437)	
Less late filing penalty	—	(21,745)	(21,745)	
Total program costs	<u>\$ 6,989,823</u>	209,641	<u>\$ (6,780,182)</u>	
Less amount paid by the State		(45,554)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 164,087</u>		

¹ See the Findings and Recommendations section.

² Offsetting savings and reimbursements are limited to total allowable direct and indirect costs and are calculated separately for enrollment fee collection and enrollment fee waivers.

³ The district's claims included \$460,747 in late penalties (\$44,729 for FY 1998-99, \$54,351 for FY 1999-2000, \$62,026 for FY 2000-01, \$70,021 for FY 2001-02, \$69,490 for FY 2002-03, \$78,058 for FY 2003-04, \$49,744 for FY 2004-05, \$10,000 for FY 2005-06, \$2,328 for FY 2006-07, \$10,000 for FY 2008-09, and \$10,000 for FY 2009-10). The SCO assesses the penalty on allowable costs for claims filed after the filing deadline specified in the Controller's claiming instructions. FY 1998-99 through FY 2004-05 claims were initial reimbursement claims filed after the filing deadline and subject to the late penalty specified in Government Code section 17561, subdivision (d)(3), equal to 10% of allowable costs, with no maximum penalty. FY 2005-06 through FY 2006-07 and FY 2008-09 through FY 2009-10 claims were annual reimbursement claims filed after the filing deadline and subject to the late penalty specified in Government Code section 17568 equal to 10% of allowable costs, not to exceed \$10,000.

Findings and Recommendations

**FINDING 1—
Enrollment fee
Collection:
Calculating and
Collecting Enrollment
Fees cost component –
unallowable ongoing
costs**

The district claimed \$5,632,440 in salaries and benefits for the Calculating and Collecting Enrollment Fees cost component during the audit period. We found that \$782,036 is allowable and \$4,850,404 is unallowable. The costs are unallowable because the district estimated the amount of time required to perform the reimbursable activities. In addition, we noted variations in the number of students used in the district’s calculations based on the student enrollment data reported to us by the California Community College Chancellor’s Office (CCCCO) and the number of students who paid their enrollment fees online rather than in person, based on information provided to us by the district.

The following table summarizes the overstated ongoing costs related to calculating and collecting enrollment fees by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and Benefits:			
1998-99	\$ 347,086	\$ 64,290	\$ (282,796)
1999-2000	390,263	72,027	(318,236)
2000-01	466,916	85,005	(381,911)
2001-02	529,630	96,478	(433,152)
2002-03	532,896	83,650	(449,246)
2003-04	642,859	73,063	(569,796)
2004-05	407,028	43,264	(363,764)
2005-06	395,306	39,528	(355,778)
2006-07	345,625	34,544	(311,081)
2007-08	421,554	30,738	(370,816)
2008-09	528,379	32,583	(495,796)
2009-10	328,918	66,743	(262,175)
2010-11	295,980	60,123	(235,857)
Total	<u>\$ 5,632,440</u>	<u>\$ 782,036</u>	<u>\$ (4,850,404)</u>

The parameters and guidelines (section IV.A.2) allow ongoing activities related to costs for calculating and collecting the student enrollment fee for each student enrolled, with the exception of nonresidents and special part-time students cited in Government Code section 76300, subdivision (f), for the following six reimbursable activities:

- i. Referencing student accounts and records to determine course workload, status of payments, and eligibility for fee waiver. Printing a list of enrolled courses. **(Activity 1)**
- ii. Calculating the total enrollment fee to be collected. Identifying method of payment. Collecting cash and making change as necessary. Processing credit card and other non-cash payment transactions (however, any fees that may be charged to a community college district by a credit card company or bank are not reimbursable). Preparing a receipt for a payment received. **(Activity 2)**
- iii. Answering student’s questions regarding enrollment fee collection or referring them to the appropriate person for an answer. **(Activity 3)**

- iv. Updating written and computer records for the enrollment fee information and providing a copy to the student. Copying and filing enrollment fee documentation. **(Activity 4)**
- v. Collecting delinquent enrollment fees, including written or telephonic collection notices to students, turning accounts over to collection agencies, or small claims court action. **(Activity 5)**
- vi. For students who establish fee waiver eligibility after the enrollment fee has been collected, providing a refund or enrollment fees paid and updating student and district records as required. (Refund process for change in program is not reimbursable). **(Activity 6)**

The program’s parameters and guidelines (section IV–Reimbursable Activities) state:

To be eligible for mandated cost reimbursement, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records, time logs, sign-in sheets, invoices, and receipts.

Salaries and Benefits

For fiscal year (FY) 1998-99 through FY 2010-11, the district claimed salaries and benefits for the six reimbursable activities under the Calculating and Collecting Enrollment Fees cost component using time allowances developed from the estimated time it took staff to complete various activities as recorded on the employees’ annual survey forms. Employees estimated the average time in minutes it took them to perform the six reimbursable activities per student per year on certification forms developed by the district’s mandated cost consultant. The district did not provide any source documentation based on actual data to support the estimated time allowances.

The following table summarizes the minutes claimed for reimbursable activities 1 through 6:

Reimbursable Activity	Claimed	
	FY 1998-99 through FY 2008-09	FY 2009-10 and FY 2010-11
1 Referencing Students Accounts	9.50	3.00
2 Calculating the Fee	2.00	3.00
3 Answering Questions	15.00	3.00
4 Updating Records	2.00	2.00
Subtotal-Activities 1-4	28.50	11.00
5 Collecting Delinquent Fees	5.00	1.00
6 Providing Refunds	—	2.00
Subtotal-Activities 5-6	5.00	3.00
Total Claimed - Activities 1-6	33.50	14.00

As the mandated activities took place at the district during the audit period, we assessed whether or not the time estimates cited by district staff were reasonable. We held discussions with various district representatives in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Admissions and Records Office (where student enrollment fees are collected) and documented the average time increments spent by district staff to perform these activities based on our observations.

In applying the time allowances, the district did not report the correct number of students related to the various reimbursable activities. We recalculated reimbursable activities using the correct number of students (multiplier). We also made adjustments to the average productive hourly rates that were used in the district's claims. Based on this information, we found that the district overstated salaries and benefits by \$5,037,640 for the audit period.

Activities 1 through 4—Activity 1-Referencing student accounts, Activity 2-Calculating and collecting the fee, Activity 3-Answering students' questions, Activity 4-Updating student records

Time Increments

Using certification forms developed by the district's mandated cost consultant, district employees estimated the time required to perform the reimbursable activities. Based on these certifications, the district developed time allowances of 33.5 minutes per student for its FY 1998-99 through FY 2008-09 claims, and 14.00 minutes for its FY 2009-10 and FY 2010-11 claims. Based on our observations, we concluded that the time allowances claimed for these activities for these years were overstated.

We held discussions with various district representatives during the audit in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Admissions and Records Office performing the reimbursable activities as well as other non-mandated activities. Over several days, we observed 284 payment transactions processed by district staff. Of these, 107 involved the payment of enrollment fees encompassing Activities 1 through 4, totaling 386 minutes. The average time to perform all four activities was 3.61 minutes or 0.90 minutes per activity. The Office Supervisors were encouraged to watch over the auditors while our observations were being documented. We documented the average time increments spent by district staff to perform the reimbursable activities based on our observations.

We reviewed the results of our observations with the Director of Fiscal Services during a status meeting held on July 19, 2012. At that time, we advised the Director that we would apply the time increments observed for reimbursable Activities 1 through 4 based upon our observations. We also held a subsequent telephone conference with the Director on February 7, 2013. One of the topics addressed during that conference was the need for the district to provide some kind of documentary evidence to support its request to consider additional time to conduct

Activities 1 through 4 during the earlier years of the audit period. We discussed various options for information the district could provide to support claimed costs.

During the exit conference that we held with district representatives on January 23, 2014, we noted that the district had not yet provided any additional information for us to consider. During the exit conference and subsequent to the exit conference, we again discussed with district representatives various types of information that could support claimed costs.

The district's response to the draft audit report, dated March 13, 2014, contained additional information related to the processes in place during the earlier years of the audit period to calculate and collect enrollment fees from students. Based on the information that the district provided, we adjusted the allowable average time increments to perform reimbursable activities 2 and 4 from 0.9 minutes to 2.00 minutes. The specifics of the district's response and our comments are provided at the end of this finding in the sections labeled "District's Response" and "SCO's Comments."

Multiplier Calculation

For Activities 1 through 4, the district claimed costs by multiplying the number of students (multiplier) by a uniform time allowance and an annual average productive hourly rate. In determining student enrollment, the district used student enrollment statistics provided by the district's Network Administrator for FY 1998-99 through FY 2005-06, and statistics provided by the Dean of Admissions and Records for FY 2006-07 through FY 2010-11. We found that the district did not deduct ineligible non-resident and special admit students (students who attend a community college while in high school pursuant to Education Code section 76001).

For Activity 1, the district used its numbers of total enrolled students as the multiplier in all years of the audit period. For Activity 2 through 4, we found that the district did not follow a consistent methodology in applying student enrollment numbers to the reimbursable activities. For activity 2, the district used its own statistics for the number of students who paid enrollment fees, except that it used total enrolled students for FY 2008-09. For activity 3, the district used the number of students that paid enrollment fees for FY 1998-99 through FY 2006-07, and total enrolled students for FY 2007-08 through FY 2010-11. For Activity 4, the district used total enrolled students for FY 1998-99 through FY 2006-07, and FY 2008-09, and used the number of students that paid enrollment fees for FY 2007-08, and FY 2009-10 through FY 2010-11.

We updated the district's calculations of eligible students for Activities 1 and 3 based on the number of students enrolled that it reported to the CCCCCO, less non-resident students and special admit students. The CCCCCO's management information system (MIS) identifies enrollment information based on student data that the district reported. The CCCCCO identifies the district's enrollment based on CCCCCO's MIS data element STD 7, codes A through G. The CCCCCO eliminates any duplicate students by term based on their Social Security numbers.

We also updated the district's calculations of eligible students for Activities 2 and 4 by deducting the number of BOGG recipients from reimbursable student enrollment confirmed by the CCCCCO. The CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F. In addition, we added the number of refunds claimed for students who paid their enrollment fees and were subsequently granted a BOGG fee waiver and deducted students who paid their enrollment through the district's online system, based on information the district provided.

For the audit period, the district provided a breakdown of the number of students that paid their enrollment fees using the district's online system and in person from FY 2004-05 through FY 2010-11. The district supported that students were able to pay their enrollment fees online starting in FY 2004-05. Based on information provided by the district, we calculated the percentage of enrollment fees paid in person at the Admissions and Records Office by dividing the number of fees paid in person by the total number of fees paid. We applied the percentage we calculated to the net enrollment number (the number of students enrolled less non-resident students, special admit students and BOGG fee waiver recipients) to compute the number of enrollment fees paid in person. We then included the number of refunds claimed for students who paid their enrollment fees and were subsequently granted a BOGG fee waiver. For fiscal years prior to FY 2004-05, allowable costs were based on all eligible students paying their enrollment fees in person at the Admissions and Records Office.

Activity 5—Collecting Delinquent Enrollment Fees

Time Increments

Using certification forms developed by the district's mandated cost consultant, district employees estimated the time required to perform reimbursable Activity 5. Based on these certifications, the district developed time allowances per student account of 5.0 minutes for FY 1998-99 through FY 2008-09 claims, and 1.0 minute for FY 2009-10 through FY 2010-11 claims. We observed a Student Services Assistant in the district's Admissions and Records Office run a batch process using the district's software system to identify students that had not paid enrollment fees and needed to be dropped. Based on our observations, we concluded that the time required to perform this activity is 2.51 minutes. The district did not identify any other tasks or costs associated with the reimbursable activity of collecting delinquent enrollment fees.

The district's response to the draft audit report, dated March 13, 2014, contained additional information related to processes in place during the earlier years of the audit period to collect delinquent enrollment fees from students. As a result, we adjusted the allowable average time increment from 2.51 minutes to 5.00 minutes for FY 1998-99 through FY 2008-09. The specifics of the district's response and our comments are provided at the end of this finding in the sections labeled "District's Response" and "SCO's Comments."

Multiplier Calculation

For Activity 5, the district provided the number of delinquent student accounts processed during the audit period. However, we did not accept the numbers provided by the district for delinquent student accounts. We noted that the number of students claimed for this activity was greater than the number of students for which fees were calculated and collected in some years and was never less than 48% of students from whom fees were calculated and collected in the other fiscal years. The district was asked about this issue in an email sent to the Dean of Admissions and Records on June 18, 2013. However, the Dean did not respond to our request for clarification of the multipliers claimed. Therefore, we concluded that the multipliers claimed for this activity are excessive and the costs claimed for Activity 5 are unallowable.

Activity 6—Providing a refund for students who establish fee waiver eligibility after the enrollment fee has been collected

Time Increments

The district claimed costs in FY 2009-10 and FY 2010-11 based on a time increment of 2 minutes. District staff indicated that the reimbursable activity occurs in three phases. Phase one starts when a student presents a refund slip (“Pink Slip”) to the technician at the window. The technician inputs student information into People Soft, places the “Pink Slip” in a drawer, and informs the student of an estimated time when they will receive their refund. The auditors did not observe phase two and phase three of the full refund process. Based on our observation and discussions with district staff, we believe the time increment claimed for this activity is understated. We used the time increment that the district claimed for this activity (2.0 minutes) to compute allowable costs.

Multiplier Calculation

For Activity 6, the district provided and we accepted the number of refunds processed for students who established fee waiver eligibility after paying their enrollment fees.

Calculation of Time Increments Adjustment

The following table summarizes the minutes claimed and allowable for reimbursable Activities 1 through 6:

Reimbursable Activity	Minutes Claimed		Minutes Allowable		Audit Adjustments	
	FY 1998-99 through FY 2008-09	FY 2009-10 and FY 2010-11	FY 1998-99 through FY 2008-09	FY 2009-10 and FY 2010-11	FY 1998-99 through FY 2008-09	FY 2009-10 and FY 2010-11
	1	9.50	3.00	0.90	0.90	(8.60)
2	2.00	3.00	2.00	0.90	—	(2.10)
3	15.00	3.00	0.91	0.91	(14.09)	(2.09)
4	2.00	2.00	2.00	0.90	—	(1.10)
Subtotal - Activities 1-4	28.50	11.00	5.81	3.61	(22.69)	(7.39)
5	5.00	1.00	5.00	2.51	—	1.51
6	—	2.00	2.00	2.00	2.00	0.00
Subtotal - Activities 5-6	5.00	3.00	7.00	4.51	2.00	1.51
Totals - Activities 1-6	33.50	14.00	12.81	8.12	(20.69)	(5.88)

Note: Numbering is used to facilitate referencing to individual reimbursable activities.

Calculation of Multiplier Adjustment

The following table summarizes the claimed, allowable, and adjustment amounts for the multiplier for each reimbursable activity that took place at the district during the audit period for reimbursable Activities 1 through 6:

Reimbursable Activity	Claimed Multiplier	Allowable Multiplier	Adjusted Multiplier
1	796,477	683,548	(112,929)
2	444,345	284,767	(159,578)
3	554,245	683,548	129,303
4	686,568	284,767	(401,801)
5	313,498	—	(313,498)
6	2,370	2,370	—
	2,797,503	1,939,000	(858,503)

Productive Hourly Rates

The district overstated the average productive hourly rate used for Activities 1 through 6 in its claim for FY 2003-04. As noted in Finding 5, the district provided support for a lower productive hourly rate (\$19.42) than the one used in its claim for that year (\$26.99). We calculated allowable costs using the lower productive hourly rate that the district supported.

Calculation of Hours Adjustments

We multiplied the allowable minutes per activity by the multiplier for the reimbursable activities (as identified in the table above) to compute the number of allowable hours for reimbursable Activities 1 through 6.

The following table summarizes the claimed and allowable hours for the audit period:

Reimbursable Activity	Claimed Hours	Allowable Hours	Adjusted Hours
1	112,365.90	10,253.20	(102,112.70)
2	15,594.60	9,313.65	(6,280.95)
3	113,189.60	10,367.10	(102,822.50)
4	22,885.60	9,313.65	(13,571.95)
5	22,843.60	—	(22,843.60)
6	79.00	79.00	—
	<u>286,958.30</u>	<u>52,441.30</u>	<u>(234,517.00)</u>

Calculation of Costs by Reimbursable Activities

For Activities 1 and 3, we multiplied the allowable minutes, based on our observations of the reimbursable activities being performed (.90 minutes for activity 1 and 0.91 minutes for activity 3) by net student enrollment to compute the number of hours spent to perform the activities for FY 1998-99 through FY 2010-11. We then multiplied the hours spent by the audited average productive hourly rates to compute allowable costs for salaries and benefits. We calculated net student enrollment by excluding non-residents and special part-time students from total student enrollment. The CCCCCO's management information system (MIS) identifies enrollment information based on student data that the district reported. The CCCCCO identifies the district's enrollment based on the CCCCCO's MIS data element STD 7, codes A through G. The CCCCCO eliminates any duplicate students based on their Social Security numbers. We also took into account the number of students who paid their enrollment fees using the district's online system or by telephone based on a report that was prepared for us by district staff.

For Activities 2 and 4, we multiplied the allowable minutes by the adjusted net student enrollment to compute the number of hours spent to perform the activities for FY 1998-99 through FY 2010-11. For FY 1998-99 through FY 2008-09, 2.0 minutes were allowable based on additional supporting information provided by the district. For FY 2009-10 and FY 2010-11, 0.9 minutes were allowable based on our observations of the reimbursable activities being performed using the district's current processes in place. We then multiplied the hours spent by the audited productive hourly rates to calculate allowable costs for salaries and benefits. To compute adjusted net student enrollment, we deducted from net student enrollment the number of students who were exempt from paying enrollment fees because they received a BOGG fee waiver. We obtained the number of students in the district who received BOGG fee waivers each year from the CCCCCO based on data the district reported. The CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F.

We applied the audited average productive hourly rates to the allowable hours per reimbursable activity. We found that salaries and benefits totaling \$782,036 are allowable and \$4,850,404 is unallowable.

The following table summarizes the claimed and allowable salary and benefit costs by reimbursable activity for the audit period:

Reimbursable Activity	Salaries and Benefits Claimed	Salaries and Benefits Allowable	Audit Adjustment
1	\$ 2,217,242	\$ 212,999	\$ (2,004,243)
2	329,725	175,426	(154,299)
3	2,183,352	215,366	(1,967,986)
4	459,958	175,426	(284,532)
5	439,344	—	(439,344)
6	2,819	2,819	—
	<u>\$ 5,632,440</u>	<u>\$ 782,036</u>	<u>\$ (4,850,404)</u>

Recommendation

Effective July 1, 2012, the district chose to accept block grant funding pursuant to Government Code section 17581.7. Accordingly, the district is not eligible to submit a mandate reimbursement claim for any program listed in the block grant for the opted-in years, which includes the Enrollment Fee Collection and Waivers Program. The district will also not be eligible to file reimbursement claims in subsequent years for which it chooses the block grant option for programs listed in the block grant. Should the district subsequently decide to file mandated cost claims rather than accept block grant funds, we recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District's Response

This audit's conclusions were based on current observations of processes in use at Cerritos College during 2012. However, the claims submitted by the college from 1998-99 through 2008-09 were based on past operational processes and technologies that required manual activities and extensive research that were more time consuming than those that presently occur. A significant indicator of the change in the time required to process enrollment fee collections and cashier functions can be seen in the significant reduction in per transaction claims from 33 ½ minutes in 1998-99 through 2008-09 to 14 minutes during 2009-10 and 2010-11 when the system improved. The following information describes these circumstances in greater detail.

From 1998-99 through 2008-09, the Admissions and Records office was on a student management system that was not a relational database. When conducting the following mandated activities the time required to serve students was much greater than today due to the inadequate technologies in use at that time.

- referencing student accounts
- calculating the fee

- answering questions
- providing refunds
- collecting delinquent fees

The student management system was very basic during this time period. The referencing of student accounts was conducted manually. When answering questions like the calculation of multiple fees and referencing student accounts, extensive research was required such as reviewing microfilm and microfiche, making phone calls, reviewing paper reports and source documentation, and seeking assistance from other departments. These activities would take up to 1 hour and sometimes cross over two or three days in order to gain all required information to clear the student of debt through the collection of fees. Once the fees were collected, individual receipts had to be hand written so that the monetary credit was posted to the correct debt. The fee collection process was not automated, and it was cumbersome and time consuming.

In the summer of 2005, Cerritos College implemented PeopleSoft 8.0 Enterprise Resource Planning software. This system helped to relate various aspects of student administration. Operationally, Student Financials was added to the responsibility of Admissions and Records in order to make fee collection more streamlined for the student and the college. However, the software system was extremely detail-oriented and required extensive collaboration amongst the employees of Information Technology, Admissions and Records, and Fiscal Services departments in order to process enrollment fee collections. Additionally, new processes were required. For example, cashiering “windows” (electronic link between enrollment and cashiering) had to be open in order to process, and if the individual cashier/end user did not have an open window to collect fees then student fees would be collected but would not post. Subsequently, the cashier would have to take time to open the window and make sure that the recently collected fees were re-posted correctly to the student account. This process would take 15 to 20 minutes per transaction to complete. This was a common practice as the system was very new and difficult to learn.

Further, the student fee collection was based on “item types” that had to be linked to accounts within the general fund. This required extensive review of each student account to ensure that fees were properly credited. Also with the new PeopleSoft product, in-person and online fee collection via credit card became possible. This added additional components to the student fee collection process such as answering questions and refunding of fees (as our credit card system is through a third party). With the addition of credit card processing, edits to account postings became a daily practice. Specifically, while the student paid, the posting of the fee and referencing of the student account became more time consuming and technically challenging.

The steps taken to process enrollment fee collection and cashiering functions during this time period were as follows:

ENROLLMENT FEE COLLECTION AND CASHIER FUNCTION

CODE 11 – Referencing the students account or records – List student's courses, status of payments, and waiver eligibility, and printing out a list of enrolled courses. **Average time to process per student was 9 ½ minutes.**

- Print-out daily large amounts of receipts from online and telephone payments.
- Fold and stuff receipts in envelopes. Forward receipts to mail-room for postage stamps.
- Reply to correspondence regarding student class enrollment and tuition by telephone or by written communication.
- Answer telephone inquiries regarding student tuition fees and waivers.
- Support long lines of students with inquiries related to tuition fees and waivers.
- Print class list for in-person students.
- Discuss payment options, due dates, and waiver options.

CODE 12 – Calculating the enrollment, collect the payment or receivable, update student account/record, and print out receipt/course list/ other report. Average time to process per student was 2 minutes.

- Procedures when collecting tuition:
 1. Request student's identification.
 2. Provide student with a payment form.
 3. Enter student identification number into the "REGS" menu in the Legacy system.
 4. Review and verify student's study list.
 - a. If adjustments are required, provide student with a change of program form.
 - b. Make necessary adjustments in ALPHA computer system.
 5. Review tuition with student and updated fee waivers.
 6. List the corresponding charges accordingly on fee payment form.
 7. Collect money from student.
 8. Verify amount collected.
 - a. Checks – Print DL's number and student telephone number on check. Verify written amount. Initial reverse side of personal check. Stamp backside of the personal check with Cerritos College endorsement stamp. Place checks in Lock box.
 - b. Cash – Double count cash in the presence of the student. Mark \$20 bills or larger with counterfeit pen. Place money in lock box and retrieve change. Double count change in the presence of the student.
 9. Enter currency type and amount of payment in Alpha system.
 10. Complete fee payment form. Indicate what type of currency was collected.
 11. Initial and date fee payment form.
 12. Retrieve receipt from shared printer.
 13. Review and verify transaction with student.
 14. Reconcile fees collected.
- Prepare deposit daily and bag for armored truck pick up.

- Print-out daily large amounts of receipts from online and telephone payments.
- Prepare invoices for contract student.

CODE 13 – Answering Questions and/or referring student to the appropriate person for an answer.

Average time to process per student was 15 minutes.

- Reply to correspondence regarding student class enrollment and tuition by telephone or by written communication.
- Answer telephone inquiries regarding student tuition fees and waivers.
- Support long lines of students with inquiries related to tuition fees and waivers.
- Refer students to Financial Aid, Counseling, and Division Offices.
- Refer students to Fiscal Services to inquire about refunds and/or to process refunds.

CODE 14 – Updating Student File for the enrollment fee information, and providing a copy to the student.

Average time to process per student was 2 minutes

- Print-out on a daily basis large amounts of receipts from online and telephone payments. (Any class adjustments will create a new receipt.)
- Fold and stuff receipts in envelopes. Forward receipts to mail-room for postage stamps.
- Assist in-person students with class adjustments, update and print class lists. Collect new enrollment fees.
- Print class list for in-person students.

CODE 15 – Amounts Receivables/Delinquencies: Collecting enrollment fees due/delinquent (Telephone contact, written notices, collection agencies, small claims court, etc.). **Average time to process per student was 5 minutes.**

- Run reports for past due fees.
- Run process to place holds on student records.
- Collect payments for past due holds.
- Remove holds after posting delinquent payment.

CODE 16 – Refunds for students who later become eligible for waivers (not just course changes), explain the process, and update student account/record. **Average time to process per student was 2 minutes.**

- Process drop for student.
- Refer student to Fiscal Services for refund.
- Process refund in Legacy system.
- Run batch refund process and reports.
- Send refund report to Los Angeles County Office of Education (LACOE) to create refund checks.
- Receive and validate checks from LACOE.
- Insert checks in envelope and forward to the Mail-Room for postage stamps.

District Response to Recommendation

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

SCO's Comment

Based on the district's response, we revised the calculations of average time for reimbursable Activity 2 (Calculate/Collect Enrollment Fees) and Activity 4 (Updating Student Records). As a result, allowable costs for the Calculating and Collecting Enrollment Fees cost component increased by \$187,236, from \$594,800 to \$782,036. In addition, the related allowable indirect costs increased by \$27,876, from \$124,085 to \$151,961.

We also updated the recommendation to indicate that the district opted-in to block grant funding effective July 1, 2012.

In its response to the draft audit report, the district expressed its belief that the processes which our auditors observed in order to determine allowable time increments for reimbursable Activities 1 through 6 should only be applicable to the district's claims for FY 2009-10 and FY 2010-11. The district explained that these are the years in which the computer system and processes that our auditors observed were in place. The district is requesting that we base allowable time on the time increments that were originally included in the district's claims for FY 1998-99 through FY 2008-09. As noted in the audit report, the time increments claimed were based on estimates of time to perform the reimbursable activities based on time survey results provided by district employees on forms provided by the district's mandated cost consultant.

As also noted in the audit report, we discussed, during a telephone conference on February 7, 2013, various alternatives to provide some kind of documentary evidence for us to consider as a basis for making adjustments to the allowable time increments. During the exit conference that we held with district representatives on January 23, 2014, we noted that the district had not provided any additional information for us to consider. During the exit conference and subsequent to the exit conference, we again discussed with district representatives various alternatives to provide documentary evidence.

The district subsequently provided in its response to the draft audit report the additional information that we requested relating to the processes in place during the earlier years of the audit period. The first two pages of the district's response provided general background information about the system and processes in place during FY 1998-99 through FY 2008-09 to calculate and collect enrollment fees. The district also explained the "Enrollment Fee Collection and Cashier Function" separately for reimbursable Activities 1 through 6. We will address our comments in the same order as presented by the district.

Code 11 – Referencing the students’ account or records

Code 11 is the district’s description of reimbursable Activity 1 (“Referencing student accounts and records to determine course workload, status of payments, and eligibility for fee waiver. Printing a list of enrolled courses”). The district requests that we apply the claimed average time allowance of 9.5 minutes to the allowable student multiplier for FY 1998-99 through FY 2008-09. In support of this request, the district provided a bulleted list consisting of seven sub-activities, as follows:

1. Print-out daily large amounts of receipts from online and telephone payments;
2. Fold and stuff receipts in envelopes. Forward receipts to mail-room for postage stamps;
3. Reply to correspondence regarding student class enrollment and tuition by telephone or by written communication;
4. Answer telephone inquiries regarding student tuition and waivers;
5. Support long lines of students with inquiries related to tuition fees and waivers;
6. Print class list for in-person students; and
7. Discuss payment options, due dates, and waiver options.

In reviewing the seven sub-activities listed above, we noted that sub-activities 1 and 2 involve the processing of receipts. These are activities that are included as part of either reimbursable activity 2 (Preparing a receipt for payment received) or reimbursable activity 4 (Providing a copy of updated enrollment fee information to the student). Sub-activities 3, 4, and 5 involve answering student questions regarding enrollment fee collection, which is part of reimbursable activity 3. However, answering questions about student class enrollment and/or student tuition fee waivers are not reimbursable activities under the Calculating and Collecting Enrollment Fees cost component. The reimbursable activity for fee waivers here is to provide the student with a yes or no answer that they are eligible for a fee waiver, in which case no enrollment fees would be collected. In order to make that determination, the student would have already had to submit a fee waiver application to the Financial Aid Office. In addition, the number of students waiting in line for service is not relevant when considering an average time *per student* to perform the reimbursable activity. Sub-activities 6 and 7 are properly included by the district as part of reimbursable Activity 1.

We determined that the additional information provided does not reasonably support adjusting the average time increment from 0.9 minutes to 9.5 minutes per student to perform the reimbursable activity.

Code 12 – Calculating the enrollment

Code 12 is the district's description of reimbursable Activity 2, which consists of calculating the total enrollment fee to be collected, processing various forms of student payments, and preparing a receipt for payment received. The district is requesting that we apply the claimed average time allowance of 2 minutes to the allowable student multiplier for FY 1998-99 through FY 2008-09. In support of this request, the district provided an extensive list of sub-activities, consisting of 17 items (refer to the district's response for the complete list).

In this instance, the district provided a step-by-step walk-through of what a student would have experienced and the specific steps that district staff would have completed to perform the reimbursable activity during the earlier years of the audit period. The detailed information infers that the district consulted with an employee or employees of the Admissions and Records Office that conducted these activities during that time period.

Based on the additional information provided, we determined that the district's request is reasonable and adjusted the average allowable time increment to perform reimbursable Activity 2 from 0.9 minutes to 2.0 minutes per student for FY 1998-99 through FY 2008-09. As a result, allowable salaries and benefits for reimbursable Activity 2 increased by \$93,618, from \$81,808 to \$175,426.

Code 13 – Answering Questions

Code 13 is the district's description of reimbursable Activity 3 ("Answering student's questions regarding enrollment fee collection or referring them to the appropriate person for an answer"). The district requests that we apply the claimed average time allowance of 15 minutes to the allowable student multiplier for FY 1998-99 through FY 2008-09. In support of this request, the district provided a bulleted list consisting of five sub-activities, as follows:

1. Reply to correspondence regarding student class enrollment and tuition by telephone or by written communication;
2. Answer telephone inquiries regarding student tuition fees and waivers;
3. Support long lines of students with inquiries related to tuition fees and waivers;
4. Refer students to Financial Aid, Counseling, and Division Offices; and
5. Refer students to Fiscal Services to inquire about refunds and/or to process refunds.

We also reviewed the generic description of activities performed that were included in the first two pages of the district's response to the draft audit report. In reviewing the additional information, we noted that sub-activity 1 above includes answering student questions about student class enrollment, which is not a reimbursable activity. Sub-activities 2 and 3 include answering student questions about tuition fee waivers, which are

also not reimbursable under this cost component. In addition, the number of students waiting in line to have their questions answered is not relevant to the average time spent *per student* to perform the reimbursable activity.

Based on the district's request, we determined that applying an average time increment of 15 minutes per student means that district staff in the Admissions and Records Office would have spent approximately 12,000 or more hours per year just answering student questions about enrollment fees and referring them to someone else when necessary. This analysis is based on student enrollment information for those years. This also means that every staff member in the Admissions and Records Office would have spent a significant portion of their annual productive hours every year just performing this one activity. While we agree with the district's assertion that it took longer for staff to answer students' questions during the first ten years of the audit period based on the systems and processes in place at that time, we determined that it is not reasonable that it took an average of 14.1 minutes longer *per student* to answer students' questions and refer them to others during that time period based on the information provided. We first advised the district of our observation results for this activity on July 19, 2012. We believe that the district had sufficient time to conduct its own time study during the course of the audit to determine the length of time required to answer students' enrollment fee questions in person, by telephone, and through written communications in order to provide its own actual cost documentation.

Code 14 – Updating Student File

Code 14 is the district's description of reimbursable activity 4 ("Updating written and computer records for the enrollment fee information and providing a copy to the student. Copying and filing enrollment fee documentation"). The district requests that we apply the claimed average time allowance of 2 minutes to the allowable student multiplier for FY 1998-99 through FY 2008-09. In support of this request, the district provided a bulleted list of sub-activities consisting of the following four items:

1. Print-out on a daily basis large amounts of receipts from online and telephone payments. (Any class adjustments will create a new receipt);
2. Fold and stuff receipts in envelopes. Forward receipts to mail-room for postage stamps;
3. Assist in-person students with class adjustments, update and print class lists. Collect new enrollment fees; and
4. Print class-list for in-person students.

We noted that sub-activity 1 was already included by the district in its response to support additional time for reimbursable Activity 1 (Referencing student accounts) and reimbursable activity 2 (Calculating and collecting the enrollment fee). In addition, sub-activities 2 and 4 were already included by the district to support additional time for reimbursable activity 1 (Referencing student accounts). For sub-activity

3 above, assisting students with class adjustments is not a reimbursable activity; however printing class lists is part of reimbursable Activity 1 (Referencing student accounts), and collecting new enrollment fees is part of reimbursable Activity 2 (Calculating and collecting the enrollment fee).

While we agree that printing out and providing receipts could be considered as updated computer records for the enrollment fee information provided to students, the information provided by the district in the first two pages of its response is more relevant to the support of additional time for this activity. Therefore, based on the additional information provided, we determined that the district's request was reasonable and adjusted the average allowable time increment to perform reimbursable Activity 4 from 0.9 minutes to 2.0 minutes per student for FY 1998-99 through FY 2008-09. As a result, allowable salaries and benefits for reimbursable activity 4 increased by \$93,618, from \$81,808 to \$175,426.

Code 15 – Amounts Receivables/Delinquencies

Code 15 is the district's description of reimbursable Activity 5 ("Collecting delinquent enrollment fees, including written or telephonic collection notices to students, turning accounts over to collection agencies, or small claims court for action"). The district requests that we apply the claimed average time allowance of 5 minutes to the allowable student multiplier for FY 1998-99 through FY 2008-09. In support of this request, the district provided a bulleted list of sub-activities consisting of the following four items:

1. Run reports for past due fees;
2. Run process to place holds on student records;
3. Collect payments for past due holds; and
4. Remove holds after posting delinquent payment.

We believe that the district's request to adjust the allowable time increment from 2.51 to 5 minutes to perform this reimbursable activity is reasonable based on the steps performed. However, as noted in the audit report, the issue for the reimbursable activity of collecting delinquent fees was not related to the time required to perform the activity. Rather, we questioned why the student multipliers claimed by the district for this activity ranged from 48% to over 100% of students that paid enrollment fees during the audit period. The district did not address this issue in its response to the draft audit report. Accordingly, the costs remain unallowable based on the unreasonable multipliers claimed by the district for this activity.

Code 16 – Refunds for students

Code 16 is the district’s description of reimbursable Activity 6 (“For students who establish fee waiver eligibility after the enrollment fee has been collected, providing a refund or enrollment fees paid and updating student and district records as required”). The district requests that we apply the claimed average time allowance of 2 minutes to the allowable student multiplier for FY 1998-99 through FY 2008-09. In support of this request, the district provided a bulleted list of sub-activities consisting of seven items. However, we already accepted the time increment of 2 minutes claimed by the district for this activity and applied that time to the student multipliers provided by the district for FY 2009-10 and FY 2010-11. The district did not provide student multipliers for this activity for any other year of the audit period.

**FINDING 2—
Enrollment Fee
Waivers: Waiving
Student Fees cost
component –
unallowable ongoing
costs**

The district claimed \$1,465,737 in salaries and benefits for the Waiving Student Fees cost component during the audit period in accordance with Education Code section 76300, subdivisions (g) and (h), and waiving student fees for students who apply for and are eligible for BOGG fee waivers. We found that \$1,174,657 is allowable and \$291,080 is unallowable. The costs are unallowable because the district estimated the amount of time required to perform the reimbursable activities. In addition, we noted variations in the number of students used in the district’s calculations based on data the district reported to the CCCCCO. We also made adjustments to the average productive hourly rates used in the district’s claims.

The following table summarizes the overstated ongoing costs related to waiving student fees by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
1999-2000	\$ 103,109	\$ 39,378	\$ (63,731)
2000-01	113,801	44,421	(69,380)
2001-02	123,895	48,611	(75,284)
2002-03	139,828	94,740	(45,088)
2003-04	93,030	86,100	(6,930)
2004-05	176,511	116,698	(59,813)
2005-06	142,518	109,224	(33,294)
2006-07	84,657	115,082	30,425
2007-08	94,667	126,151	31,484
2008-09	113,194	151,084	37,890
2009-10	136,042	117,894	(18,148)
2010-11	144,485	125,274	(19,211)
Total, salaries and benefits	<u>\$ 1,465,737</u>	<u>\$ 1,174,657</u>	<u>\$ (291,080)</u>

The parameters and guidelines (section IV.B.2.b–Reimbursable Activities–Enrollment Fee Waivers–Ongoing Activities) allow the following ongoing reimbursable activities:

- a. Waiving student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h). Waiving fees for students who apply for and are eligible for BOG fee waivers.
 - i. Answering student’s questions regarding enrollment fee waivers or referring them to the appropriate person for an answer. **[Activity 7]**
 - ii. Receiving of waiver applications from students by mail, fax, computer online access, or in person, or in the form of eligibility information processed by the financial aid office. **[Activity 8]**
 - ii. Evaluating each application and verification documents (dependency status, household size and income, SSI and TANF/CalWorks, etc.) for compliance with eligibility standards utilizing information provided by the student, from the student financial aid records (e.g., Free Application for Federal Student Aid (FAFSA), and other records. **[Activity 9]**
 - iv. In the case of an incomplete application or incomplete documentation, notify the student of the additional required information and how to obtain that information. Hold student application and documentation in suspense file until all information is received. **[Activity 10]**
 - v. In the case of an approved application, copy all documentation and file the information for further review or audit. Entering the approved application information into district records and / or notifying other personnel performing other parts of the process (e.g., cashier’s office). Providing the student with proof of eligibility or an award letter, and file paper documents in the annual file. **[Activity 11]**
 - vi. In the case of a denied application, reviewing an evaluating additional information and documentation provided by the student if the denial is appealed by the student. Provide written notification to the student of the results of the appeal or any change in eligibility status. **[Activity 12]**

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents that were created at or near the same time that actual costs were incurred for the event or activity in question. (See Finding 1 for the specific language.)

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) state that salaries and benefits are reimbursable if claimants “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

Salaries and Benefits

The district claimed salaries and benefits during the audit period to waive student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h) and to waive fees for students who apply for and are eligible for BOGG fee waivers. For FY 1999-2000 through FY 2010-11, the district claimed salaries and benefits for the six reimbursable activities under the Waiving Student Fees cost component using time allowances developed from the estimated time it took staff to complete various activities as recorded on the employees' annual survey forms. For FY 1999-2000 through FY 2010-11, employees estimated the average time in minutes it took them to perform the six reimbursable activities per student per year on certification forms developed by the district's mandated cost consultant. The district did not provide any source documentation based on actual data to support the estimated time allowances.

The following table summarizes the minutes claimed for reimbursable activities 7 through 12:

Reimbursable Activity	Claimed	
	FT 1999-2000 through FY 2008-09	FY 2009-10 through FY 2010-11
7 Answering questions	3.20	3.50
8 Receive applications	2.80	3.40
9 Evaluate applications	2.00	2.70
10 Incomplete applications - notification	4.30	4.00
11 Approved applications	3.10	4.30
12 Review waiver denials appealed by students	2.40	3.10
	<u>17.80</u>	<u>21.00</u>

As the mandated activities took place at the district during the audit, we assessed whether or not the time estimates cited by district staff for FY 1999-2000 through FY 2010-11 were reasonable. We held discussions with various district representatives in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Financial Aid Office, where students' BOGG fee waiver applications are processed. We documented the average time increments spent by district staff to perform these activities based on our observations.

In applying the time allowances, the district did not report the correct number of students who received BOGG fee waivers. We recalculated reimbursable activities using the correct number of students who received BOGG fee waivers (multiplier). We also made adjustments to the average productive hourly rates that were used in the district's claims. Based on this information, we determined that the district overstated salaries and benefits by \$291,080 for the audit period.

Activities 7 through 12–BOGG Fee Waiver Application Processing – General Information

District Financial Aid Office staff explained that staff time involvement to process a BOGG fee waiver depends on the type of BOGG fee waiver application processed. There are several methods to determine BOGG fee waiver eligibility, as follows:

- BOGG fee waiver A: The student may apply in person by filling out a paper application and must submit proof of TANF/CalWorks, General Assistance, or Supplemental Social Security income to the Financial Aid Office to be eligible.
- BOGG fee Waiver B: The waiver is based on income standards. Students may apply in person by filling out a paper application and must submit a copy of their Federal 1040 tax return. If they are a dependent, they must submit a copy of their parent's tax return. If the student/parent did not file a tax return and reports only untaxed income, then no documentation is required. However, if the income reported is unusually low, the student must explain how they live on the income and note it on the back of the application.
- BOGG fee waiver C: Data from the U.S. Free Application for Federal Student Aid (FAFSA) is downloaded into the district's computer system and is used to calculate the student's financial aid need. If the student record reflects that he or she is a California resident and has at least \$1 of financial need, a BOGG fee waiver C will be posted to the student account.
- BOGG fee waiver V: Students may fill out a paper BOGG fee waiver application and must provide the appropriate required documentation to the Financial Aid Office.

We concluded that the district may process some students' applications twice if the student first applies for a BOGG fee waiver and is denied for BOGG fee waiver A or B. In addition, district staff will have little involvement with students who use the district's online BOGG application process or the FAFSA online process for BOGG fee waiver C. For FY 1999-2000 through FY 2004-05, all applications were received in paper form and manually processed by district staff. Students were able to apply for a BOGG fee waiver online beginning in FY 2005-06.

Activity 7–Answering Student Questions

The district staff accepts paper BOGG fee waiver A and B applications at the front counters and answers questions. The staff may also direct students to fill out the BOGG fee waiver application online.

Activity 8–Receiving Enrollment Fee Waiver Applications

Currently, the district may receive paper BOGG fee waiver applications in person or through the FAFSA website. Most of the BOGG fee waivers currently processed by the district are through the FAFSA website. Based on a report provided by the district, we noted that the percentage of fee waiver applications processed online increased steadily during the audit period, from 38% in FY 2005-06 to 72% in FY 2010-11.

Activity 9–Evaluating waiver applications and verifying documentation

The district’s Financial Aid Technicians evaluate and process BOGG A and B fee waiver applications at the front counter of the Financial Aid Office.

Activity 10–Notifying students of additional required information, in the case of an incomplete application

The district does not take and/or keep incomplete applications. The Financial Aid Technicians returned incomplete BOGG fee waiver applications to the student to complete and instructed them to return with proper supporting documentation.

Activity 11–Copying all documentation and filing the information for further review, in the case of an approved application

The reimbursable activity was split into the sub-activities of scanning and proofreading approved applications, and notifying students.

- Scanning and proofreading – District staff proofread the approved applications and scan them into the district’s computer system under the student’s name, identification number, and social security number.
- Notifying Students – The Financial Aid Specialist stated that the district receives reports from the Department of Education which are then set up in the district’s People Soft system to identify changes to the student accounts. The Financial Aid Specialist then opens the report and sends email messages to those students who have a change in their BOGG fee waiver status. A template is used to send the information to the students’ portals. The Financial Aid Specialist stated that prior to FY 2009-10, letters were mailed to students regarding changes in their BOGG fee waiver applications.

Activity 12–Appealing a denied BOGG fee waiver application

The district did not claim any costs during the audit period for student appeals of denied BOGG fee waiver applications.

Time Increments

Using certification forms developed by the district’s mandated cost consultant, district employees estimated the time required to perform the reimbursable activities. Based on these certifications, the district developed per-student time allowances of 17.8 minutes for FY 1999-2000 through FY 2008-09, and 21.0 minutes for FY 2009-10, and FY 2010-11.

We held discussions with various district representatives during the audit in order to determine the procedures district staff followed to perform the reimbursable activities. We also observed district staff in the Financial Aid Office performing the reimbursable activities and other non-mandated activities. We documented the average time increments spent by district staff to perform the reimbursable activities based on our observations. Over several days, we observed enrollment fee waiver

transactions processed by district staff encompassing Activities 7, 8, 9, and 11.

For Activities 7 through 9, we documented the time required to process each of the 234 students who came to the Financial Aid Office and were assisted by Financial Aid Technicians for various activities. We identified 176 observations that related to the reimbursable activities of answering student questions, receiving BOGG fee waiver applications, and evaluating BOGG fee waiver applications. Based on our observations, we determined that the average time increments required to perform these three reimbursable activities totaled 3.33 minutes.

For Activity 10, although the district did not claim any costs for this cost component, we noted that Financial Aid staff performed activities 7 through 9 before returning the application to the student to provide additional documentation for district staff to complete processing of the student's BOGG fee waiver application.

For Activity 11, we determined that the performance of this reimbursable activity was divided into three segments; (1) proofreading fee waiver applications, (2) scanning approved fee waiver application information, and (3) notifying students with eligibility information. We determined total time increments for FY 1999-2000 through FY 2008-09 totaling 5.25 minutes, and 3.5 minutes for FY 2009-10 through FY 2010-11, as follows:

- Proofreading – We observed a total of 87 applications proofread by a Financial Aid Clerk for correctness. Based on our observations, the average time increment to perform this activity totaled 1.33 minutes per fee waiver application.
- Scanning – We observed a total of 120 BOGG fee waiver applications scanned into the district's Liberty system by Financial Aid Clerks. The average time to perform this activity totaled 1.42 minutes per fee waiver application.
- Notifying Students – Based on discussions with district staff, we determined that it currently takes approximately 45 seconds (.75 minutes) to send each student an update of his or her fee waiver status via email. The process of sending students notifications by email began in FY 2009-10. The Financial Aid Specialist stated that prior to FY 2009-10; it took approximately 2 to 3 minutes to send students a Deferment Notice by mail. Based on further discussion and analysis, we determined that the average time increment to perform this activity was 2.5 minutes for FY 1999-2000 through 2008-09.

As noted previously, the district did not perform Activity 10, (holding incomplete information in a suspense file) or Activity 12 (reviewing fee waiver denials appealed by students) during the audit period.

Accordingly, we concluded that it took district staff a total of 8.58 minutes to perform Activities 7, 8, 9, 10, and 11 during the period of FY 1999-2000 through FY 2008-09, and 6.83 minutes to perform these five activities during FY 2009-10 and FY 2010-11. We calculated allowable

costs by applying 1.72 minutes to activities 7, 9, and 11, and 1.71 minutes to activities 8 and 10 for FY 1999-2000 through FY 2008-09. We calculated allowable costs for FY 2009-10 and 2010-11 by applying 1.37 minutes to activities 7, 8, and 9, and 1.36 to activities 10, and 11.

In order to provide an actual cost basis on which to calculate allowable costs for the district’s claims, we applied the results of our observations to all years of the audit period.

Multiplier Calculation

For Activities 7, 8, 9, and 11, the district claimed costs by multiplying the number of students who received BOGG fee waivers by a uniform time allowance and an annual average productive hourly rate. The district used the number of students who received a BOGG fee waiver as the multiplier for all four activities. We inquired about the source of the multiplier used. The number of BOGG fee waivers for FY 1999-2000 through FY 2008-09 was reported by the district’s Student Affairs Assistant. The district used numbers from the CCCCO website for FY 2009-10 through FY 2010-11. Using this information, the district was able to provide summary reports for the multiplier used for Activities 7, 8, 9, and 11.

For Activities 7, 8, 9, 10, and 11, we applied the time required to perform the reimbursable activities by the number of students who received BOGG fee waivers per statistics provided by the CCCCO. Using data that the district reported, the CCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F.

For Activity 12 (appeals of denied BOGG fee waiver applications) we did not apply any time increments to the number of student appeals of denied BOGG fee waiver applications claimed by the district. As noted previously, the district does not have any process in place to review denied BOGG fee waiver applications. Rather than conduct a review of denied BOGG fee waivers, students are instructed to apply for Financial Aid.

Calculation of Time Increments Adjustment

The following table summarizes the minutes claimed, allowable, and audit adjustment amounts for reimbursable Activities 7 through 12:

Reimbursable Activities	Claimed		Allowable		Audit Adjustment	
	FY 1999-2000 through FY 2008-09	FY 2009-10 through FY 2010-11	FY 1999-2000 through FY 2008-09	FY 2009-10 and FY 2010-11	FY 1999-2000 through FY 2008-09	FY 2009-10 and FY 2010-11
	7	3.20	3.50	1.72	1.37	(1.48)	(2.13)
8	2.80	3.40	1.71	1.37	(1.09)	(2.03)
9	2.00	2.70	1.72	1.37	(0.28)	(1.33)
10	4.30	4.00	1.71	1.36	(2.59)	(2.64)
11	3.10	4.30	1.72	1.36	(1.38)	(2.94)
12	2.40	3.10	—	0	(2.40)	(3.10)
	<u>17.80</u>	<u>21.00</u>	<u>8.58</u>	<u>6.83</u>	<u>(9.22)</u>	<u>(14.17)</u>

Note: Numbering is used to facilitate referencing to individual reimbursable activities.

Calculation of Multiplier Adjustment—Number of BOGG Fee Waivers

The following table summarizes the claimed, allowable, and audit adjustments for the multiplier for each reimbursable activity that took place at the district for reimbursable Activities 7 through 12:

Reimbursable Activity	Claimed Multiplier	Allowable Multiplier	Adjusted Multiplier
7	245,387	261,954	16,567
8	245,377	261,954	16,577
9	245,384	261,954	16,570
10	—	261,954	261,954
11	245,379	261,954	16,575
12	—	—	—
	<u>981,527</u>	<u>1,309,770</u>	<u>328,243</u>

Productive Hourly Rates

The district understated the average productive hourly rate used for Activities 7 through 9 and 11 in its claim for FY 2003-04. As noted in Finding 5, the district provided support for a higher productive hourly rate (\$26.99) than the one used in its claim for that year (\$19.42). We calculated allowable costs using the higher productive hourly rate that the district supported.

Calculation of Hours Adjustments

We multiplied the allowable minutes per reimbursable activity by the multiplier for the reimbursable activities (as identified in the table above) to determine the number of allowable hours for reimbursable Activities 7 through 12.

The following table summarizes the claimed and allowable hours by reimbursable activity for the audit period:

Reimbursable Activity	Hours Claimed	Hours Allowable	Adjusted Hours
7	13,268.40	7,136.46	(6,131.94)
8	11,813.30	7,103.46	(4,709.84)
9	8,602.20	7,136.46	(1,465.74)
10	—	7,092.80	7,092.80
11	13,402.60	7,125.81	(6,276.79)
12	—	—	—
Total Hours	<u>47,086.50</u>	<u>35,594.99</u>	<u>(11,491.51)</u>

Calculation of Costs by Reimbursable Activities

We applied the audited productive hourly rates to the allowable hours per reimbursable activity. We found that salaries and benefits totaling \$1,174,657 are allowable and \$291,080 is unallowable.

The following table summarizes the claimed and allowable salary and benefit costs by reimbursable activity for the audit period:

Reimbursable Activity	Salaries and Benefits Claimed	Salaries and Benefits Allowable	Audit Adjustment
7	\$ 412,327	\$ 235,507	\$ (176,820)
8	367,584	234,423	(133,161)
9	268,046	235,508	(32,538)
10	—	234,067	234,067
11	417,780	235,152	(182,628)
12	—	—	—
Total	<u>\$ 1,465,737</u>	<u>\$ 1,174,657</u>	<u>\$ (291,080)</u>

Recommendation

The district has chosen to accept block grant funds in lieu of filing mandated cost claims. Should the district subsequently decide to file mandated cost claims rather than accept block grant funds, we recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

SCO’s Comments

The finding remains unchanged. We updated the recommendation to indicate that the district opted-in to block grant funding.

The district did not provide a response as to whether it agreed with the audit results.

**FINDING 3—
Unallowable indirect
costs**

The district claimed indirect costs during the audit period totaling \$1,842,050 for enrollment fee collection activities and \$479,881 for enrollment fee waiver activities. For enrollment fee collection activities, we found that \$151,960 is allowable and \$1,690,090 is unallowable. For enrollment fee waiver activities, we found that \$292,614 is allowable and \$187,267 is unallowable. The costs are unallowable because of indirect cost rate calculation errors in each year of the audit period (\$197,320) and the unallowable salaries and benefits previously identified (\$1,680,037).

Indirect Cost Rates Claimed

The district claimed indirect costs using the SCO’s FAM-29C methodology. However, for all years of the audit period except FY 2006-07 and FY 2008-09, the district used information contained in the California Community Colleges Annual Financial Budget Report Expenditures by Activity Report (CCFS – 311) from the prior fiscal year to compute its indirect cost rates. Also, the district did not complete the FAM-29C in accordance with SCO’s claiming instructions. We noted the following errors in the district’s indirect cost rate calculations:

FY 1998-99 through FY 2003-04

- Expenditures that appear on the district's CCFS-311 financial report from the previous fiscal year were used to calculate the indirect cost rates.
- Capital Outlay costs were misclassified as indirect costs. The SCO's claiming instructions state that expenditures for capital outlays are excluded from the indirect cost rate computation.
- Costs incurred for Property & Acquisitions (account 7100) were included as indirect costs. The SCO claiming instructions do not include this account in the indirect cost rate computation.
- Costs for Operation and Maintenance of Plant (account group 6600) were included 100% as indirect costs. The SCO claiming instructions state that a portion of the expenses reported in this account may be reported as indirect: "The claimant has the option of using a 7% or a higher expense percentage is allowable if the college can support its allocation base." However, the district did not support using more than the allowable 7% option of costs incurred in this account.
- Costs for Staff Development (account 6750) and Staff Diversity (account 6760) were included 100% as indirect costs. The SCO claiming instructions did not identify costs in these accounts as indirect costs until FY 2004-05.

FY 2004-05 and FY 2005-06

- Expenditures that appear on the district's CCFS-311 financial report from the previous fiscal year were used to calculate the indirect cost rates.
- Capital Outlay costs were misclassified as indirect costs. The SCO's claiming instructions state that expenditures for capital outlays are excluded from the indirect cost rate computation.
- Costs incurred for Property & Acquisitions (account 7100) were included as indirect costs. The SCO claiming instructions do not include this account in the indirect cost rate computation.
- Costs incurred for Community Relations (account 6710) were misclassified as indirect costs instead of direct costs.
- Costs for depreciation of plant and equipment obtained from the district's audited financial report were not included as indirect costs in the calculations.

FY 2006-07

- Capital Outlay costs were misclassified as indirect costs. The SCO's claiming instructions state that expenditures for capital outlays are excluded from the indirect cost rate computation.
- Costs incurred for Community Relations (account 6710) were misclassified as indirect costs instead of direct costs.

FY 2007-08

- Expenditures that appear on the district's CCFS-311 financial report from the previous fiscal year were used to calculate the indirect cost rates.
- Capital Outlay costs were misclassified as indirect costs. The SCO's claiming instructions state that expenditures for capital outlays are excluded from the indirect cost rate computation.
- Costs incurred for Community Relations (account 6710) were misclassified as indirect costs instead of direct costs.
- Costs for depreciation of plant and equipment obtained from the district's FY 2006-07 audited financial report were used in the indirect cost rate calculation instead of amounts for FY 2007-08.

FY 2008-09

- Costs incurred for Community Relations (account 6710) were misclassified as indirect costs instead of direct costs.

FY 2009-10

- Expenditures that appear on the district's CCFS-311 financial report from the previous fiscal year were used to calculate the indirect cost rates.
- Costs incurred for Community Relations (account 6710) were misclassified as indirect costs instead of direct costs.
- Costs for depreciation of plant and equipment obtained from the district's FY 2008-09 audited financial report were used in the indirect cost rate calculation instead of amounts for FY 2009-10.

FY 2010-11

- Costs incurred for Community Relations (account 6710) were misclassified as indirect costs instead of direct costs.
- Costs for depreciation of plant and equipment obtained from the district's FY 2009-10 audited financial report were used in the indirect cost rate calculation instead of amounts for FY 2010-11.

Recalculated Indirect Cost Rates

We recalculated indirect cost rates for each fiscal year of the audit period using the SCO's FAM-29C methodology. We used the information contained in the California Community Colleges Annual Financial Budget Report Expenditures by Activity Report (CCFS - 311). Our calculations show that the district overstated its indirect cost rates for FY 1998-99 through FY 2008-09, and FY 2010-11, and understated its indirect cost rate for FY 2009-10.

The following table summarizes the claimed, allowable and audit adjustment for indirect cost rates:

<u>Fiscal Year</u>	<u>Allowable Indirect Cost Rate</u> (A)	<u>Claimed Indirect Cost Rate</u> (B)	<u>Misstated Rate</u> (C)=(B)-(A)
1998-99	15.58%	39.30%	-23.72%
1999-2000	11.77%	40.33%	-28.56%
2000-01	11.41%	32.78%	-21.37%
2001-02	12.02%	31.58%	-19.56%
2002-03	12.87%	29.26%	-16.39%
2003-04	13.86%	28.16%	-14.30%
2004-05	26.40%	34.11%	-7.71%
2005-06	26.27%	30.68%	-4.41%
2006-07	30.42%	34.58%	-4.16%
2007-08	28.95%	34.58%	-5.63%
2008-09	28.49%	30.80%	-2.31%
2009-10	31.65%	30.80%	0.85%
2010-11	31.34%	34.02%	-2.68%

Enrollment Fee Collection

The district claimed \$1,842,050 for indirect costs during the audit period, related to salaries and benefits claimed for enrollment fee collection activities. We found that \$151,960 is allowable and \$1,690,090 is unallowable. We found that \$107,084 is unallowable because of indirect cost rate differences, and \$1,583,006 is unallowable because of unallowable salary and benefit costs identified in Finding 1.

The following table summarizes the claimed, allowable, and audit adjustment amounts for indirect costs related to enrollment fee collection by fiscal year:

<u>Fiscal Year</u>	<u>Enrollment Fee Collection</u>				
	<u>Allowable Costs</u>	<u>Allowable Indirect Cost Rates</u>	<u>Allowable Indirect Costs</u>	<u>Claimed Indirect Costs</u>	<u>Audit Adjustment</u>
1998-99	\$ 64,290	15.58%	\$ 10,016	\$ 136,405	\$ (126,389)
1999-2000	72,027	11.77%	8,478	157,393	(148,915)
2000-01	85,005	11.41%	9,699	153,055	(143,356)
2001-02	96,478	12.02%	11,597	167,257	(155,660)
2002-03	83,650	12.87%	10,766	155,925	(145,159)
2003-04	73,063	13.86%	10,126	181,029	(170,903)
2004-05	43,264	26.40%	11,422	138,837	(127,415)
2005-06	39,528	26.27%	10,384	121,280	(110,896)
2006-07	34,544	30.42%	10,509	119,517	(109,008)
2007-08	30,738	28.95%	8,899	145,774	(136,875)
2008-09	32,583	28.49%	9,283	162,741	(153,458)
2009-10	68,035	31.65%	21,533	101,705	(80,172)
2010-11	61,416	31.34%	19,248	101,132	(81,884)
Total	<u>\$ 784,621</u>		<u>\$ 151,960</u>	<u>\$ 1,842,050</u>	<u>\$ (1,690,090)</u>

Enrollment Fee Waivers

The district claimed \$479,881 for indirect costs during the audit period related to salaries and benefits claimed for enrollment fee waivers activities. We found that \$292,614 is allowable and \$187,267 is unallowable. We found that \$90,236 is unallowable because of indirect cost rate differences and \$97,031 is unallowable because of unallowable salary and benefit costs identified in Finding 2.

The following table summarizes the overstated indirect costs related to enrollment fee waivers by fiscal year:

Fiscal Year	Enrollment Fee Waivers				
	Allowable Costs	Allowable Indirect Cost Rates	Allowable Indirect Costs	Claimed Indirect Cost Costs	Audit Adjustment
1999-2000	\$ 39,813	11.77%	\$ 4,686	\$ 41,760	\$ (37,074)
2000-01	44,753	11.41%	5,106	37,413	(32,307)
2001-02	49,070	12.02%	5,899	39,271	(33,372)
2002-03	95,179	12.87%	12,250	41,042	(28,792)
2003-04	86,669	13.86%	12,012	26,357	(14,345)
2004-05	118,164	26.40%	31,195	60,708	(29,513)
2005-06	109,224	26.27%	28,693	43,725	(15,032)
2006-07	115,082	30.42%	35,008	29,275	5,733
2007-08	126,151	28.95%	36,521	32,736	3,785
2008-09	151,084	28.49%	43,044	34,864	8,180
2009-10	120,478	31.65%	38,130	42,697	(4,567)
2010-11	127,858	31.34%	40,070	50,033	(9,963)
Total	<u>\$ 1,183,525</u>		<u>\$ 292,614</u>	<u>\$ 479,881</u>	<u>\$ (187,267)</u>

The parameters and guidelines (section V.B.–Claim Preparation and Submission–Indirect Costs) state,

Indirect costs are costs that have been incurred for common or joint purposes. . . . Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, “Cost Principles of Education Institutions”; (2) the rate calculated on State Controller’s Form FAM-29C; or (3) a 7% indirect cost rate.

Recommendation

The district has chosen to accept block grant funds in lieu of filing mandated cost claims. Should the district subsequently decide to file mandated cost claims rather than accept block grant funds, we recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

SCO's Comments

The district did not provide a response as to whether it agreed with the audit results. However, allowable related indirect costs increased by \$27,875, from \$124,085 to \$151,960, because of the revisions to allowable salaries and benefits costs identified in Finding 1. We also updated the recommendation to indicate that the district opted-in to block grant funding.

**FINDING 4—
Misstated offsetting
reimbursements**

The district claimed offsetting reimbursements totaling \$2,441,738 (\$864,136 for enrollment fee collection and \$1,577,602 for enrollment fee waivers). We found that offsetting reimbursements were misstated by \$158,941 for enrollment fee collection (overstated by \$262,064 and understated by \$103,123) and misstated by \$101,463 for enrollment fee waivers (overstated by \$219,444 and understated by \$320,907). The offsetting reimbursements were misstated because the district did not report the correct amounts that it received from the CCCCCO for enrollment fee collection or enrollment fee waivers in any year of the audit period

Enrollment Fee Collection

For the audit period, the district claimed offsetting reimbursements for enrollment fee collection related to the offset of 2% of revenues from enrollment fees. We obtained a report from the CCCCCO confirming offsets paid to the district totaling \$923,045 during the audit period.

We limited offsetting reimbursements received by the district to allowable direct and indirect costs. Allowable direct and indirect costs applicable for the audit period related to enrollment fee collection activities totaled \$936,581; therefore, this amount represents offsets applicable to the audit period. The district claimed \$864,136. Consequently, the district misstated offsetting reimbursements by \$158,941 (overstated by \$262,064 and understated by \$103,123).

The following table summarizes the misstated enrollment fee collection offsetting reimbursements by fiscal year:

Enrollment Fee Collection Offsets					
Fiscal Year	Allowable Direct and Related Indirect Costs (A)	Offsets Claimed (B)	Actual Offsets Confirmed by the CCCCCO (C)	Offset Applicable to Audit (D)	Audit Adjustment E = (D-B)
1998-99	\$ 74,306	\$ (36,202)	\$ (47,878)	\$ (47,878)	\$ (11,676)
1999-2000	80,505	(35,648)	(48,541)	(48,541)	(12,893)
2000-01	94,704	(37,121)	(50,177)	(50,177)	(13,056)
2001-02	108,075	(35,950)	(50,941)	(50,941)	(14,991)
2002-03	94,416	(34,964)	(51,488)	(51,488)	(16,524)
2003-04	83,189	(69,659)	(76,364)	(76,364)	(6,705)
2004-05	54,686	(109,137)	(96,726)	(54,686)	54,451
2005-06	49,912	(103,707)	(97,219)	(49,912)	53,795
2006-07	45,053	(103,999)	(95,796)	(45,053)	58,946
2007-08	39,637	(92,190)	(74,349)	(39,637)	52,553
2008-09	41,866	(84,185)	(84,914)	(41,866)	42,319
2009-10	89,568	(69,444)	(81,933)	(81,933)	(12,489)
2010-11	80,664	(51,930)	(66,719)	(66,719)	(14,789)
Total	\$ 936,581	\$ (864,136)	\$ (923,045)	\$ (705,195)	\$ 158,941

Consequently, the unused portion of offsetting reimbursements related to enrollment fee collection costs total \$217,850 as follows:

Fiscal Year	Actual Offsets Confirmed by the CCCCCO (A)	Offset Applicable to Audit (B)	Unused Portion of Offsets (A-B)
1998-99	\$ (47,878)	\$ (47,878)	\$ —
1999-2000	(48,541)	(48,541)	—
2000-01	(50,177)	(50,177)	—
2001-02	(50,941)	(50,941)	—
2002-03	(51,488)	(51,488)	—
2003-04	(76,364)	(76,364)	—
2004-05	(96,726)	(54,686)	(42,040)
2005-06	(97,219)	(49,912)	(47,307)
2006-07	(95,796)	(45,053)	(50,743)
2007-08	(74,349)	(39,637)	(34,712)
2008-09	(84,914)	(41,866)	(43,048)
2009-10	(81,933)	(81,933)	—
2010-11	(66,719)	(66,719)	—
Total	\$ (923,045)	\$ (705,195)	\$ (217,850)

Enrollment Fee Waivers

For the audit period, the district claimed offsetting reimbursements for enrollment fee waivers related to 7% or 2% of the enrollment fees waived and \$0.91 per credit hour waived. We obtained a report from the CCCCCO confirming enrollment fee waivers offsets paid to the district totaling \$3,091,516 for the audit period. We also limited offsetting

reimbursements received by the district to allowable direct and indirect costs. Allowable direct and indirect costs applicable to the audit period related to enrollment fee waivers activities totaled \$1,476,139; therefore, this amount represents offsets applicable to the audit period. The district claimed \$1,577,602. Consequently, the district misstated allowable enrollment fee waivers offsets by \$101,463 (overstated by \$219,444 and understated by \$320,907).

The following table summarizes the misstated enrollment fee waivers offsetting reimbursements by fiscal year:

Enrollment Fee Waivers Offsets					
Fiscal Year	Allowable Direct and Related Indirect Costs (A)	Offsets Claimed (B)	Actual Offsets Confirmed by the CCCCCO (C)	Offset Applicable to Audit (D)	Audit Adjustment E = (D-B)
1999-2000	\$ 44,499	\$ (113,801)	\$ (137,321)	\$ (44,499)	\$ 69,302
2000-01	49,859	(114,133)	(181,749)	(49,859)	64,274
2001-02	54,969	(124,354)	(189,947)	(54,969)	69,385
2002-03	107,429	(140,267)	(207,915)	(107,429)	32,838
2003-04	98,681	(93,608)	(252,868)	(98,681)	(5,073)
2004-05	149,359	(177,977)	(319,807)	(149,359)	28,618
2005-06	137,917	(142,518)	(292,989)	(137,917)	4,601
2006-07	150,090	(84,657)	(303,417)	(150,090)	(65,433)
2007-08	162,672	(94,667)	(296,399)	(162,672)	(68,005)
2008-09	194,128	(113,195)	(267,973)	(194,128)	(80,933)
2009-10	158,608	(181,323)	(298,954)	(158,608)	22,715
2010-11	167,928	(197,102)	(342,177)	(167,928)	29,174
Total	<u>\$ 1,476,139</u>	<u>\$ (1,577,602)</u>	<u>\$ (3,091,516)</u>	<u>\$ (1,476,139)</u>	<u>\$ 101,463</u>

Consequently, the unused portion of offsetting reimbursements related to enrollment fee waivers costs total \$1,615,377 as follows:

Fiscal Year	Actual Offsets Confirmed by the CCCCCO (A)	Offset Applicable to Audit (B)	Unused Portion of Offsets (C) = (A-B)
1999-2000	\$ (137,321)	\$ (44,499)	\$ (92,822)
2000-01	(181,749)	(49,859)	(131,890)
2001-02	(189,947)	(54,969)	(134,978)
2002-03	(207,915)	(107,429)	(100,486)
2003-04	(252,868)	(98,681)	(154,187)
2004-05	(319,807)	(149,359)	(170,448)
2005-06	(292,989)	(137,917)	(155,072)
2006-07	(303,417)	(150,090)	(153,327)
2007-08	(296,399)	(162,672)	(133,727)
2008-09	(267,973)	(194,128)	(73,845)
2009-10	(298,954)	(158,608)	(140,346)
2010-11	(342,177)	(167,928)	(174,249)
Total	<u>\$ (3,091,516)</u>	<u>\$ (1,476,139)</u>	<u>\$ (1,615,377)</u>

The parameters and guidelines (section VII-Offsetting Savings and Reimbursements state,

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including, but not limited to services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

Enrollment Fee Collection Program:

The cost of the Enrollment Fee Collection program are subject to an offset of two percent (2%) of the revenue from enrollment fees (Ed. Code, 76000, subd.(c))

Enrollment Fee Waiver Program:

The costs of the Enrollment Fee Waiver program are subject to the following offsets:

July 1, 1999 to July 4, 2000:

- For low income students² or recipients of public assistance³, or dependents or surviving spouses of National Guard soldiers killed in the line of duty⁴ as defined:
 - an offset identified in Education Code section 76300, subdivision (m), that requires the community college Board of Governors, from funds in the annual budget act, to allocate to community college two percent (2%) of the fees waived, under subdivision (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined] of section 76300; and
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined), or dependents or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived:
 - from funds provided in the annual State Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to seven (7%) of the fee waivers provided, pursuant to subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and 9h0 [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined].

Beginning July 5, 2000:

- For low-income students (as defined), or recipient of public assistance (as defined) or dependent or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived (as defined):
 - an offset identified in Education Code section 76300, subdivision (m), that requires the Community College Board of Governors, from funds in the annual budget act, to allocate

to community colleges two (2%) of the fees waived, under subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents of California National Guard soldiers killed in the line of duty as defined] of section 76300;

- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined) for whom fees are waived:
 - requires the Board of Governors to allocate from funds in the annual State Budget Act ninety-one cents (\$0.91) per credit unit waived pursuant to subdivisions (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or California National Guard soldiers killed in the line of duty as defined].
- Any budget augmentation received under the Board Financial Assistance Program Administrative Allowance, or any other state budget augmentation received for administering the fee waiver program.

Note – Footnotes 2 through 5 are included in the parameters and guidelines to provide additional clarification.

Recommendation

The district has chosen to accept block grant funds in lieu of filing mandated costs claims. Should the district subsequently decide to file mandated cost claims rather than accept block grant funds, we recommend that the district report the applicable offsetting reimbursements for the Enrollment Fee Collection and Waivers Program on its mandated cost claims based on information provided by the CCCCCO.

District's Response

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

SCO's Comments

The district did not provide a response as to whether it agreed with the audit results. However, misstated offsetting reimbursements decreased by \$52,833 for enrollment fee collection activities, from \$211,774 to \$158,941, because of revisions to allowable salaries and benefits costs identified in Finding 1 and revisions to related indirect costs identified in Finding 3. We also updated the recommendation to indicate that the district opted-in to block grant funding.

Total direct and indirect costs for enrollment fee collection activities increased by \$215,111 due to the revisions made to allowable costs in Findings 1 and 3. However, total allowable costs for enrollment fee collection activities for the audit period only increased by \$162,278 due

to the application of unused offsetting reimbursements applicable to the district's claims for FY 2003-04 through FY 2008-09 totaling \$52,833. As a result, the adjustment for unused offsetting revenues decreased from \$270,683 to \$217,850.

**FINDING 5—
Misstated productive
hourly rates**

For the audit period, the district calculated average productive hourly rates separately for employees involved in calculating and collecting enrollment fees (Activities 1 through 6) and for employees involved with waiving students' fees (Activities 7 through 12). The district calculated its average productive hourly rates using a straight average methodology. The documentation provided by the district for its FY 2003-04 claim supported productive hourly rates of \$19.42 for calculating and collecting enrollment fee activities and \$26.99 for enrollment fee waivers activities. However, the district used the \$19.42 rate to claim costs for enrollment fee waivers activities and used the \$26.99 rate to claim costs for calculating and collecting enrollment fee activities in its claim for FY 2003-04. Therefore, we used the \$19.42 rate to calculate allowable enrollment fee collection costs and used the \$26.99 rate to calculate allowable costs for enrollment fee waivers activities for FY 2003-04.

The parameters and guidelines (section V – Claim Preparation and Submission- Direct Cost Reporting-Salaries and Benefits) state that, for salaries and benefits, claimants are required to:

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the reimbursable activities performed and the hours devoted to each reimbursable activity performed.

The SCO's claiming instructions state that one of the three options may be used to compute productive hourly rates:

- Actual annual productive hours for each employee;
- The weighted average annual productive hours for each job title; or
- 1,800 annual productive hours for all employees. (1,800 annual productive hours excludes time for paid holidays, vacation earned, sick leave taken, informal time off, jury duty, and military leave taken).

Recommendation

The district has chosen to accept block grant funds in lieu of filing mandated cost claims. Should the district subsequently decide to file mandated cost claims rather than accept block grant funds, we recommend that the district ensure that productive hourly rates are calculated in accordance with the guidelines provided in the SCO's claiming instructions.

District's Response

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

SCO's Comments

The finding remain unchanged. We updated the recommendation to indicate that the district opted-in to block grant funding.

The district did not respond as to whether it agreed with the audit results.

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



Cerritos College

March 13, 2014

Mr. Jim L. Spano, Chief
Mandated Cost Audits Bureau
State Controller's Office, Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874

Dear Mr. Spano,

This is in response to the Audit Report of February 2014 for Enrollment Fee Collection and Waivers Program. I am confident you will find the information helpful and useful in a reconsideration of your findings.

Finding 1 – Enrollment fee collection: Calculating and Collecting Enrollment Fees cost component – unallowable ongoing costs

District Response

This audit's conclusions were based on current observations of processes in use at Cerritos College during 2012. However, the claims submitted by the college from 1998-99 through 2008-09 were based on past operational processes and technologies that required manual activities and extensive research that were more time consuming than those that presently occur. A significant indicator of the change in the time required to process enrollment fee collections and cashier functions can be seen in the significant reduction in per transaction claims from 33 ½ minutes in 1998-99 through 2008-09 to 14 minutes during 2009-10 and 2010-11 when the system improved. The following information describes these circumstances in greater detail.

From 1998-99 through 2008-09, the Admissions and Records office was on a student management system that was not a relational database. When conducting the following mandated activities the time required to serve students was much greater than today due to the inadequate technologies in use at that time.

- referencing student accounts
- calculating the fee
- answering questions
- providing refunds
- collecting delinquent fees

Cerritos Community College District
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The student management system was very basic during this time period. The referencing of student accounts was conducted manually. When answering questions like the calculation of multiple fees and referencing student accounts, extensive research was required such as reviewing microfilm and microfiche, making phone calls, reviewing paper reports and source documentation, and seeking assistance from other departments. These activities would take up to 1 hour and sometimes cross over two or three days in order to gain all required information to clear the student of debt through the collection of fees. Once the fees were collected, individual receipts had to be hand written so that the monetary credit was posted to the correct debt. The fee collection process was not automated, and it was cumbersome and time consuming.

In the summer of 2005, Cerritos College implemented PeopleSoft 8.0 Enterprise Resource Planning software. This system helped to relate various aspects of student administration. Operationally, Student Financials was added to the responsibility of Admissions and Records in order to make fee collection more streamlined for the student and the college. However, the software system was extremely detail-oriented and required extensive collaboration amongst the employees of Information Technology, Admissions and Records, and Fiscal Services departments in order to process enrollment fee collections. Additionally, new processes were required. For example, cashiering “windows” (electronic link between enrollment and cashiering) had to be open in order to process, and if the individual cashier/end user did not have an open window to collect fees then student fees would be collected but would not post. Subsequently, the cashier would have to take time to open the window and make sure that the recently collected fees were re-posted correctly to the student account. This process would take 15 to 20 minutes per transaction to complete. This was a common practice as the system was very new and difficult to learn.

Further, the student fee collection was based on “item types” that had to be linked to accounts within the general fund. This required extensive review of each student account to ensure that fees were properly credited. Also with the new PeopleSoft product, in-person and online fee collection via credit card became possible. This added additional components to the student fee collection process such as answering questions and refunding of fees (as our credit card system is through a third party). With the addition of credit card processing, edits to account postings became a daily practice. Specifically, while the student paid, the posting of the fee and referencing of the student account became more time consuming and technically challenging.

The steps taken to process enrollment fee collection and cashiering functions during this time period were as follows:

ENROLLMENT FEE COLLECTION AND CASHIER FUNCTION

CODE 11 – Referencing the students account or records – List student’s courses, status of payments, and wavier eligibility, and printing out a list of enrolled courses. **Average time to process per student was 9 ½ minutes.**

- Print-out daily large amounts of receipts from online and telephone payments.
- Fold and stuff receipts in envelopes. Forward receipts to mail-room for postage stamps.
- Reply to correspondence regarding student class enrollment and tuition by telephone or by written communication.

- Answer telephone inquiries regarding student tuition fees and waivers.
- Support long lines of students with inquiries related to tuition fees and waivers.
- Print class list for in-person students.
- Discuss payment options, due dates, and waiver options.

CODE 12 – Calculating the enrollment, collect the payment or receivable, update student account/record, and print out receipt/course list/ other report. Average time to process per student was 2 minutes.

- Procedures when collecting tuition:
 1. Request student's identification.
 2. Provide student with a payment form.
 3. Enter student identification number into the "REGS" menu in the Legacy system.
 4. Review and verify student's study list.
 - a. If adjustments are required, provide student with a change of program form.
 - b. Make necessary adjustments in ALPHA computer system.
 5. Review tuition with student and updated fee waivers.
 6. List the corresponding charges accordingly on fee payment form.
 7. Collect money from student.
 8. Verify amount collected.
 - a. Checks – Print DL's number and student telephone number on check. Verify written amount. Initial reverse side of personal check. Stamp backside of the personal check with Cerritos College endorsement stamp. Place checks in Lock box.
 - b. Cash – Double count cash in the presence of the student. Mark \$20 bills or larger with counterfeit pen. Place money in lock box and retrieve change. Double count change in the presence of the student.
 9. Enter currency type and amount of payment in Alpha system.
 10. Complete fee payment form. Indicate what type of currency was collected.
 11. Initial and date fee payment form.
 12. Retrieve receipt from shared printer.
 13. Review and verify transaction with student.
 14. Reconcile fees collected.
- Prepare deposit daily and bag for armored truck pick up.
- Print-out daily large amounts of receipts from online and telephone payments.
- Prepare invoices for contract student.

CODE 13 – Answering Questions and/or referring student to the appropriate person for an answer.

Average time to process per student was 15 minutes.

- Reply to correspondence regarding student class enrollment and tuition by telephone or by written communication.
- Answer telephone inquiries regarding student tuition fees and waivers.
- Support long lines of students with inquiries related to tuition fees and waivers.

- Refer students to Financial Aid, Counseling, and Division Offices.
- Refer students to Fiscal Services to inquire about refunds and/or to process refunds.

CODE 14 – Updating Student File for the enrollment fee information, and providing a copy to the student. **Average time to process per student was 2 minutes.**

- Print-out on a daily basis large amounts of receipts from online and telephone payments. (Any class adjustments will create a new receipt.)
- Fold and stuff receipts in envelopes. Forward receipts to mail-room for postage stamps.
- Assist in-person students with class adjustments, update and print class lists. Collect new enrollment fees.
- Print class list for in-person students.

CODE 15 – Amounts Receivables/Delinquencies: Collecting enrollment fees due/delinquent (Telephone contact, written notices, collection agencies, small claims court, etc.). **Average time to process per student was 5 minutes.**

- Run reports for past due fees.
- Run process to place holds on student records.
- Collect payments for past due holds.
- Remove holds after posting delinquent payment.

CODE 16 – Refunds for students who later become eligible for waivers (not just course changes), explain the process, and update student account/record. **Average time to process per student was 2 minutes.**

- Process drop for student.
- Refer student to Fiscal Services for refund.
- Process refund in Legacy system.
- Run batch refund process and reports.
- Send refund report to Los Angeles County Office of Education (LACOE) to create refund checks.
- Receive and validate checks from LACOE.
- Insert checks in envelope and forward to the Mail-Room for postage stamps.

District Response to Recommendation

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

Finding 2 – Enrollment Fee Waivers: Waiving Student Fees cost component – unallowable ongoing costs

District Response to Recommendation

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

Finding 3 – Unallowable indirect costs

District Response to Recommendation

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

Finding 4 – Misstated offsetting reimbursements

District Response to Recommendation

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

Finding 5 – Misstated productive hourly rates

District Response to Recommendation

Effective July 1, 2012 Cerritos College has annually opted-in to block grant funding available under AB 1464 which provides apportionment in the amount of \$28 per FTES based on funded FTES.

Sincerely,



David El Fattal
Vice President of Business Services

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

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Audit Report

ENROLLMENT FEE COLLECTION AND WAIVERS PROGRAM

Education Code Section 76300 and
California Code of Regulations, Title 5,
Sections 58501-58503, 58611-58613, 58620, and 58630

July 1, 1998, through June 30, 2006



JOHN CHIANG
California State Controller

March 2011



JOHN CHIANG
California State Controller

March 16, 2011

John T. Nejedly
President, Board of Trustees
Contra Costa Community College District
500 Court Street
Martinez, CA 94553

Dear Mr. Nejedly:

The State Controller's Office audited the costs claimed by the Contra Costa Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and California Code of Regulations, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2006.

The district claimed \$9,521,848 for the mandated program. Our audit disclosed that \$7,728,127 is allowable, and \$1,793,721 is unallowable primarily because the district overstated salaries and benefits, and understated offsetting savings/reimbursements. The State made no payment to the district. The State will pay allowable costs claimed totaling \$7,728,127, contingent upon available appropriations.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's Web site at www.csm.ca.gov/docs/IRCForm.pdf.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/wm

cc: Helen Benjamin, Chancellor
Contra Costa Community College District
Judy Breza, Director of Fiscal Services
Contra Costa Community College District
Christine Atalig, Auditor
Fiscal Services Unit
California Community Colleges Chancellor's Office
Thomas Todd, Principal Program Budget Analyst
Education Systems Unit
Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the Contra Costa Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and California Code of Regulations, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2006.

The district claimed \$9,521,848 for the mandated program. Our audit disclosed that \$7,728,127 is allowable, and \$1,793,721 is unallowable primarily because the district overstated salaries and benefits, and understated offsetting savings/reimbursements. The State made no payment to the district. The State will pay allowable costs claimed totaling \$7,728,127, contingent upon available appropriations.

Background

Education Code section 76300 and Title 5, California Code of Regulations, sections 58501-58503, 58611-58613, 58620, and 58630 authorize community college districts to calculate and collect student enrollment fees and to waive student fees in certain instances. The codes also direct community college districts to report the number of, and amounts provided for Board of Governor Grants (BOGG) and to adopt procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5, California Code of Regulations.

The sections were added and/or amended by:

- Chapter 1, Statutes of 1984;
- Chapter 274 and 1401, Statutes of 1984;
- Chapter 920 and 1454, Statutes of 1985;
- Chapter 46 and 395, Statutes of 1986;
- Chapter 1118, Statutes of 1987;
- Chapter 136, Statutes of 1989;
- Chapter 114, Statutes of 1991;
- Chapter 703, Statutes of 1992;
- Chapter 8, 66, 67, and 1124, Statutes of 1993;
- Chapter 153 and 422, Statutes of 1994;
- Chapter 308, Statutes of 1995;
- Chapter 63, Statutes of 1996; and
- Chapter 72, Statutes of 1999.

On April 24, 2003, the Commission on State Mandates (CSM) adopted the Statement of Decision for the Enrollment Fee Collection and Waivers Program. The CSM found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on community college districts within the meaning of Article XIII B, Section 6 of the California Constitution and Government Code section 17514.

The CSM found that the following activities are reimbursable:

- Calculating and collecting the student enrollment fee for each student enrolled except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f).
- Waiving student fees in accordance with the groups listed in Education Code section 76300, subdivisions (g) and (h).
- Waiving fees for students who apply for and are eligible for BOG fee waivers.
- Reporting to the Community Colleges Chancellor the number of and amounts provided for Board of Governors waivers.
- Adopting procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 26, 2006. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and 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 Enrollment Fee Collection and Waivers Program for the period of July 1, 1998, through June 30, 2006.

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

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. Except for the issue noted below, we conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We were unable to assess fraud risk because the district, based on its consultant's advice, did not respond to our inquiries regarding fraud assessment. We increased our substantive testing; however, increased testing would not necessarily identify a fraud or abuse that may have occurred.

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

We asked the district's representative to submit a written representation letter regarding the district's accounting procedures, financial records, and mandated cost claiming procedures as recommended by generally accepted government auditing standards. However, the district declined our request.

Conclusion

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

For the audit period, the Contra Costa Community College District claimed \$9,521,848 for costs of the Enrollment Fee Collection and Waivers Program. Our audit disclosed that \$7,728,127 is allowable and \$1,793,721 is unallowable.

The State made no payment to the district. The State will pay allowable costs claimed contingent upon available appropriations.

Views of Responsible Official

We issued a draft audit report on February 25, 2011. Kindred Murillo, Ed.D., Vice Chancellor, Districtwide Administrative Services, responded by letter dated March 9, 2011 (Attachment), disagreeing with the audit findings. This final audit report includes the district's response.

Restricted Use

This report is solely for the information and use of the Contra Costa 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

March 16, 2011

Schedule 1— Summary of Program Costs July 1, 1998 through June 30, 2006

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 1998, through June 30, 1999</u>				
Direct costs:				
Salaries and benefits	\$ 717,659	\$ 586,012	\$ (131,647)	Finding 1
Indirect costs	244,004	199,244	(44,760)	Finding 1
Total direct and indirect costs	961,663	785,256	(176,407)	
Less enrollment fee revenue offset	(38,430)	(104,982)	(66,552)	Finding 2
Total program costs	<u>\$ 923,233</u>	<u>\$ 680,274</u>	<u>\$ (242,959)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 680,274</u>		
<u>July 1, 1999, through June 30, 2000</u>				
Direct costs:				
Salaries and benefits	\$ 891,552	\$ 837,513	\$ (54,039)	Finding 1
Materials and supplies	2,189	2,189	—	
Total direct costs	893,741	839,702	(54,039)	
Indirect costs	303,128	284,755	(18,373)	Finding 1
Total direct and indirect costs	1,196,869	1,124,457	(72,412)	
Less enrollment fee revenue offset	(35,233)	(92,480)	(57,247)	Finding 2
Less enrollment fee waiver offset	(122,142)	(169,179)	(47,037)	Finding 2
Total program costs	<u>\$ 1,039,494</u>	<u>\$ 862,798</u>	<u>\$ (176,696)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 862,798</u>		
<u>July 1, 2000, through June 30, 2001</u>				
Direct costs:				
Salaries and benefits	\$ 942,757	\$ 834,067	\$ (108,690)	Finding 1
Materials and supplies	2,347	2,347	—	
Total direct costs	945,104	836,414	(108,690)	
Indirect costs	320,538	283,583	(36,955)	Finding 1
Total direct and indirect costs	1,265,642	1,119,997	(145,645)	
Less enrollment fee revenue offset	(33,229)	(102,212)	(68,983)	Finding 2
Less enrollment fee waiver offset	(128,380)	(141,448)	(13,068)	Finding 2
Total program costs	<u>\$ 1,104,033</u>	<u>\$ 876,337</u>	<u>\$ (227,696)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 876,337</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2001, through June 30, 2002</u>				
Direct costs:				
Salaries and benefits	\$ 1,113,657	\$ 894,042	\$ (219,615)	Finding 1
Materials and supplies	<u>2,556</u>	<u>2,556</u>	<u>—</u>	
Total direct costs	1,116,213	896,598	(219,615)	
Indirect costs	<u>378,643</u>	<u>303,974</u>	<u>(74,669)</u>	Finding 1
Total direct and indirect costs	1,494,856	1,200,572	(294,284)	
Less enrollment fee revenue offset	(256,938)	(103,001)	153,937	Finding 2
Less enrollment fee waiver offset	<u>—</u>	<u>(135,778)</u>	<u>(135,778)</u>	Finding 2
Total program costs	<u>\$ 1,237,918</u>	\$ 961,793	<u>\$ (276,125)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 961,793</u>		
<u>July 1, 2002, through June 30, 2003</u>				
Direct costs:				
Salaries and benefits	\$ 1,132,835	\$ 1,074,459	\$ (58,376)	Finding 1
Materials and supplies	<u>2,761</u>	<u>2,761</u>	<u>—</u>	
Total direct costs	1,135,596	1,077,220	(58,376)	
Indirect costs	<u>371,569</u>	<u>352,422</u>	<u>(19,147)</u>	Finding 1
Total direct and indirect costs	1,507,165	1,429,642	(77,523)	
Less enrollment fee revenue offset	(18,523)	(112,221)	(93,698)	Finding 2
Less enrollment fee waiver offset	<u>(125,791)</u>	<u>(137,493)</u>	<u>(11,702)</u>	Finding 2
Total program costs	<u>\$ 1,362,851</u>	\$ 1,179,928	<u>\$ (182,923)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,179,928</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Direct costs:				
Salaries and benefits	\$ 1,193,695	\$ 1,110,501	\$ (83,194)	Finding 1
Materials and supplies	<u>3,317</u>	<u>3,317</u>	<u>—</u>	
Total direct costs	1,197,012	1,113,818	(83,194)	
Indirect costs	<u>391,532</u>	<u>364,244</u>	<u>(27,288)</u>	Finding 1
Total direct and indirect costs	1,588,544	1,478,062	(110,482)	
Less enrollment fee revenue offset	(48,963)	(153,158)	(104,195)	Finding 2
Less enrollment fee waiver offset	<u>(116,190)</u>	<u>(175,286)</u>	<u>(59,096)</u>	Finding 2
Total program costs	<u>\$ 1,423,391</u>	\$ 1,149,618	<u>\$ (273,773)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,149,618</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2004, through June 30, 2005</u>				
Direct costs:				
Salaries and benefits	\$ 1,129,466	\$ 1,048,208	\$ (81,258)	Finding 1
Materials and supplies	3,814	3,814	—	
Total direct costs	1,133,280	1,052,022	(81,258)	
Indirect costs	370,465	343,812	(26,653)	Finding 1
Total direct and indirect costs	1,503,745	1,395,834	(107,911)	
Less enrollment fee revenue offset	(48,713)	(212,346)	(163,633)	Finding 2
Less enrollment fee waiver offset	(228,926)	(208,847)	20,079	Finding 2
Total program costs	<u>\$ 1,226,106</u>	\$ 974,641	<u>\$ (251,465)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 974,641</u>		
<u>July 1, 2005, through June 30, 2006</u>				
Direct costs:				
Salaries and benefits	\$ 1,104,485	\$ 1,096,981	\$ (7,504)	Finding 1
Materials and supplies	4,386	4,386	—	
Total direct costs	1,108,871	1,101,367	(7,504)	
Indirect costs	362,271	359,810	(2,461)	Finding 1
Total direct and indirect costs	1,471,142	1,461,177	(9,965)	
Less enrollment fee revenue offset	(46,303)	(228,260)	(181,957)	Finding 2
Less enrollment fee waiver offset	(220,017)	(190,179)	29,838	Finding 2
Total program costs	<u>\$ 1,204,822</u>	\$ 1,042,738	<u>\$ (162,084)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,042,738</u>		
<u>Summary: July 1, 1998, through June 30, 2006</u>				
Direct costs:				
Salaries and benefits	\$ 8,226,106	\$ 7,481,783	\$ (744,323)	
Materials and supplies	16,984	16,984	—	
Contract services	4,386	4,386	—	
Total direct costs	8,247,476	7,503,153	(744,323)	
Indirect costs	2,742,150	2,491,844	(250,306)	
Total direct and indirect costs	10,989,626	9,994,997	(994,629)	
Less enrollment fee revenue offset	(526,332)	(1,108,660)	(582,328)	
Less enrollment fee waiver offset	(941,446)	(1,158,210)	(216,764)	
Total program costs	<u>\$ 9,521,848</u>	\$ 7,728,127	<u>\$ (1,793,721)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 7,728,127</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

**FINDING 1—
Overstated salaries
and benefits**

The district claimed unallowable salaries and benefits of \$744,323. The costs are unallowable because the district did not provide documentation supporting some of its costs totaling \$89,348 and made errors when applying time allowances totaling \$654,975. The related indirect cost is \$250,306.

Unsupported Costs

The district did not provide contemporaneous documentation supporting hours claimed for one-time activities and ongoing costs related to adopting procedures for documenting financial assistance, recording and recordkeeping. The unsupported costs total \$22,081 for enrollment fee collection and \$67,267 for enrollment fee waivers.

The unsupported costs related to the following activities claimed:

	Enrollment Fee Collection	Enrollment Fee Waivers	Total
One-time activities:			
Prepare district policies and procedures	\$ (15,475)	\$ (14,537)	\$ (30,012)
Staff training (once per employee)	<u>(6,606)</u>	<u>(18,888)</u>	<u>(25,494)</u>
Subtotal	(22,081)	(33,425)	(55,506)
Ongoing activities:			
Adopt procedures for documenting financial assistance, recording, and recordkeeping	<u>—</u>	<u>(33,842)</u>	<u>(33,842)</u>
Total	<u>\$ (22,081)</u>	<u>\$ (67,267)</u>	<u>\$ (89,348)</u>

For the one-time activity of preparing district policies and procedures, the district claimed costs for fiscal year (FY) 1998-99 through FY 2005-06 for enrollment fee collection costs totaling \$21,246 and for FY 1999-2000 through FY 2005-06 for enrollment fee waivers costs totaling \$18,373. The district provided daily time records for the enrollment fee collection costs for FY 1998-99 through FY 2000-01. We allowed these costs totaling \$5,771. The district supported the remaining costs with estimates; it provided no contemporaneous documents supporting the costs claimed. For enrollment fee waivers costs, the district provided copies of its current policies and procedures for each of the three colleges. We allowed the one-time enrollment fee waiver costs for FY 1999-2000 of \$3,836. The unsupported costs total \$30,012.

For the one-time activity of staff training, the district claimed enrollment fee collection costs totaling \$10,315 for FY 2001-02 through FY 2005-06 and enrollment fee waiver costs totaling \$24,351 for FY 1999-2000 through FY 2005-06. The district supported the costs with estimates; it provided no contemporaneous documentation (e.g., agenda, sign-in sheets, or employee time records). We allowed costs in the first year employees were claimed, totaling \$3,709 for enrollment fee collection costs and \$5,463 of enrollment fee waivers costs. The parameters and guidelines only allow one-time staff training per

employee. Many of the same employees were claimed in four of the eight fiscal years in the audit period. In addition, two of the employees were claimed in six of the eight fiscal years for fee collections and seven of the eight fiscal years for fee waivers. The unallowable costs total \$25,494.

For ongoing costs of adopting procedures for documenting financial assistance, recording and recordkeeping, the district claimed costs for FY 1999-2000 through FY 2005-06 totaling \$33,842. The district supported the costs with estimates; it provided no contemporaneous documentation supporting the costs claimed. Furthermore, the district provided no documentation supporting that the procedures were adopted.

Errors in Application of Time Allowances for Ongoing Activities

The district claimed salaries and benefits for six enrollment fee collection activities and six enrollment fee waiver activities using an average time allowance per activity developed from annual survey forms submitted by staff. The district's mandate consultant developed the survey forms. Annual survey forms were completed by an average of 24 employees for enrollment fee collection activities and 18 employees for enrollment fee waiver activities for the audit period. Staff members who completed the survey forms estimated the amount of time it took them to complete various activities. Surveys for the audit period were completed by staff in March 2006. The instructions for completing the surveys were limited to the general description on the form from the language in the reimbursable section of the parameters and guidelines. The consultant indicated that there was no clarification provided to employees as to the context of reimbursable activities and no post-survey analysis was performed as to the reasonableness of the average time recorded. The consultant took the time recorded on the survey forms and divided it by the number of responses without verifying the time recorded on the survey forms. For instance, a Senior Admissions and Records Assistance employee recorded 64 minutes on the survey form for activities (1) through (4) discussed below in each year from FY 2002-03 through FY 2005-06. Though the time appears excessive compared to other minutes recorded, the district did not make any adjustment for the time. All responses were given equal weight even though all employees surveyed did not perform the mandated activities at the same level.

In applying the time allowances, the district did not report the correct number of students related to the various cost activities. We recalculated reimbursable activities and determined that the district overstated salaries and benefits by the net amount of \$654,975 (overstated enrollment fee collection costs of \$740,899 and understated enrollment fee waiver costs of \$85,924).

Enrollment Fee Collection

During 1999, the district implemented a telephone registration process, TREG. This system allowed students to automatically register and make payments of their enrollment fees. In the spring of 2002, the district implemented an internet registration system, WebAdvisor, which allowed students to register and pay enrollment fees via the internet.

For enrollment fee collection costs, the district claimed costs related to the following activities: (1) referencing student accounts and printing a list of enrolled courses; (2) calculating the fees, processing the payment, and preparing a payment receipt; (3) answering student questions or referring them to an appropriate person for an answer; (4) updating student records for the enrollment fee information, providing a copy to the student, and copying/filing enrollment fee documentation; (5) collecting delinquent fees; and (6) processing fee refunds for students who establish fee waiver eligibility and updating student and district records as required. The district determined reimbursable costs by applying a multiplier to the time allowances it determined through its time survey.

For activities (1) and (3), the district used total enrolled students as the multiplier. For activities (2) and (4), the district used students paying the enrollment fee as the multiplier. The district did not support the numbers it used for the multiplier. We updated the district's calculation based on student enrollment and fee waiver information documented by the California Community Colleges Chancellor's Office (CCCCO) from information provided by the district. Based on updated student enrollment and waiver information, we determined that \$726,048 was overstated because of calculation errors for activities (1) through (4).

When students used the automated system, district staff did not perform reimbursable mandated activities such as referencing student accounts, calculating and collecting student fees, and updating computer records for the enrollment fee information and providing a copy to the student. The district claimed reimbursement for fee collections based on all students paying fees and did not identify or exclude those students who paid through the automated telephone system or online through the internet.

For activities (1) through (4), district staff claimed between 19.3 and 21.6 minutes per student per summer session and both the fall and spring terms to perform the mandated activities. The district did not exclude students that paid the enrollment fees through an automated system. We requested information from the district to identify the number of students who should be subtracted when calculating reimbursable fee collections. The district provided information extracted from its Information Technology Department; however, we were unable to determine the number of students to exclude based on the information provided.

The calculation errors for activities (1) through (4) occurred for the following reasons:

- For activities (1) and (3), the district claimed costs for reimbursable student enrollment numbers that did not agree with the enrollment numbers documented by the CCCCCO. Reimbursable student enrollment excludes non-resident and special part-time students (students who attend a community college while in high school pursuant to Education Code section 76001). We obtained student enrollment, non-resident student, and special part-time student numbers from the CCCCCO. The CCCCCO's management information system (MIS) identifies enrollment information based on student data

that the district reported. The CCCCCO identifies the district's enrollment based on the CCCCCO's MIS data element STD 7, codes A through G. The CCCCCO eliminates any duplicate students based on their social security numbers.

- For activities (2) and (4), the district did not provide support for its calculation of the total number of students paying the fee. We calculated reimbursable students paying the fees by deducting BOGG recipients from reimbursable student enrollments. In calculating enrollment fee waivers (for activities (7) through (10), below) we used the number of BOGG recipients maintained by the CCCCCO based on data the district reported. The CCCCCO identifies the number of BOGG recipients based on MIS data element SF21 and all codes with the first letter of B or F.

For activity (5), the district claimed delinquent fee collection costs of \$34,550 based on the number of accounts receivable for FY 2002-03 through FY 2005-06. However, the district provided documentation supporting increased numbers of accounts receivable. Based on the updated information, we allowed \$36,341, an increase of \$1,791.

For activity (6), the district claimed \$16,642 in costs based on the number of students who received a refund. The district provided no documentation supporting any fee refunds. We determined that the entire amount claimed is unallowable.

We recalculated reimbursable on-going enrollment fee collection costs for activities (1) through (6) and determined that the district overstated allowable costs by \$740,899.

Enrollment Fee Waivers

For enrollment fee waivers costs, the district claimed costs related to the following activities: (7) answering student questions or referring them to an appropriate person for an answer; (8) receiving waiver applications; (9) evaluating waiver applications; (10) providing notice to students that additional documents were needed to complete the application; (11) inputting approved applications; and (12) reviewing and evaluating additional information and documentation for denied applications if appealed, and providing students written notifications of the appeal results or any change in eligibility status.

For activities (7) through (9), the district used the number of enrollment fee waivers requested for the audit period. For activity (10), the district used the number of enrollment fee waivers requested for FY 1999-2000 through FY 2004-05 and fee waivers denied for FY 2005-06. The district did not support that it requested additional documentation for every fee waiver requested by students. For activity (12), the district used the number of enrollment fee waivers denied.

The district did not support the numbers it used for enrollment fee waivers approved. Therefore, for activity (11), we used the number of BOGG recipients maintained by the CCCCCO based on data the district reported. From this amount, we deducted the number of fee waivers reported by the district in determining the number of enrollment fee waivers requested for use in the calculation for activities (7) through (10). For activity (12), we used the number of denied waivers reported by the district.

We recalculated reimbursable on-going enrollment fee waivers costs for activities (7) through (12). The district claimed \$1,517,265. We determined that the district understated allowable costs by \$85,924.

The following table details the unallowable salaries and benefits by unsupported costs, errors in application of time survey, and related indirect costs for ongoing activities:

Fiscal Year	Unsupported Costs			Errors in Application of Time Survey			Audit Adjust-ment	Related Indirect Costs
	Enroll-ment Fee Collection	Enroll-ment Fee Waivers	Subtotal	Enroll-ment Fee Collection	Enroll-ment Fee Waivers	Subtotal		
1998-99	\$ —	\$ —	\$ —	\$(131,647)	\$ —	(131,647)	\$(131,647)	\$(44,760)
1999-2000	—	(5,845)	(5,845)	(1,596)	(46,598)	(48,194)	(54,039)	(18,373)
2000-01	—	(12,631)	(12,631)	(37,682)	(58,377)	(96,059)	(108,690)	(36,955)
2001-02	(3,555)	(11,269)	(14,824)	(136,667)	(68,124)	(204,791)	(219,615)	(74,669)
2002-03	(5,797)	(10,478)	(16,275)	(78,639)	36,538	(42,101)	(58,376)	(19,147)
2003-04	(5,876)	(9,836)	(15,712)	(107,719)	40,237	(67,482)	(83,194)	(27,288)
2004-05	(3,751)	(8,303)	(12,054)	(118,594)	49,390	(69,204)	(81,258)	(26,653)
2005-06	(3,102)	(8,905)	(12,007)	(128,355)	132,858	4,503	(7,504)	(2,461)
Total	<u>\$ (22,081)</u>	<u>\$ (67,267)</u>	<u>\$ (89,348)</u>	<u>\$(740,899)</u>	<u>\$ 85,924</u>	<u>\$(654,975)</u>	<u>\$(744,323)</u>	<u>\$(250,306)</u>

Education Code section 76300 authorizes community college districts to calculate and collect student enrollment fees and to waive student fees in certain instances. The code directs districts to report the number of, and amounts provided for, BOGG and to adopt procedures that will document all financial assistance provided on behalf of students.

The program’s parameters and guidelines (section IV.–Reimbursable Activities) state,

... Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question.

The parameters and guidelines also state that salaries and benefits are reimbursable if claimants report each employee implementing the reimbursable activities by name, job classification, productive hourly rate, and provide a description of the specific reimbursable activities performed and the hours devoted to these activities.

The parameters and guidelines state that the preparation of policies and procedures is reimbursable as a one-time activity for the collection of enrollment fees and for determining which students are eligible for waiver of the enrollment fees. The CSM Final Staff Analysis and Proposed Parameters and Guidelines dated January 13, 2006, for one-time activities of adopting policies and procedures states, “. . . staff finds that updates to the policies and procedures would be subject to change in the community college district’s policy rather than state law, and would not be reimbursable.”

The parameters and guidelines also state that staff training is reimbursable as a one-time cost per employee for training district staff that implement the program on the procedures for the collection of enrollment fees and for determining which students are eligible for waiver of the enrollment fee. Consistent with the Final Staff Analysis for policies and procedures, training for changes in the community college district’s policy is not reimbursable.

Recommendation

We recommend that the district:

- Maintain records that document actual time spent on mandate-related activities;
- Ensure the validity of any time studies used in determining reimbursable costs;
- Maintain documentation that identifies the number of students subject to reimbursement pursuant to Education Code section 76300 as reported to the CCCCO; and
- Adjust for students who pay their enrollment fee through an automated system (rather than in person) when calculating enrollment fee collection costs.

We further recommend that any surveys used in developing uniform time allowances are:

- Developed with sufficient instructions to clarify reimbursable activities;
- Independently verified with physical observation and inquiries to ensure that time allowances applied to students are accurate and reasonable; and
- Projected in a manner to produce a result that is representative of employees performing the reimbursable activities.

District's Response

1. Unsupported Costs

A total of \$89,348 was disallowed for staff time claimed for policies and procedures and staff training due to lack of supporting documentation and for duplicate time claimed for "one-time" training activities.

A. Supporting Documentation

The draft audit report states that the disallowed policies and procedures and some of the staff training time was not supported by contemporaneous documentation of time spent or corroborating evidence of activities performed. None of the time was disallowed as unreasonable. The audit report characterizes the disallowed time as "estimates." It should be noted that the parameters and guidelines were adopted January 26, 2006, and the first claiming instructions for the initial fiscal years were released thereafter. The District had no actual notice of approved reimbursement for this program until that time. It seems unreasonable to require contemporaneous documentation of daily staff time for the retroactive initial fiscal years. While some historic staff time can be reconstructed from calendars and desk diaries, other staff time cannot and must be reported as good-faith estimate. While the District disagrees with the audit report recommendation that the District maintain records that document actual time spent on mandate-related activities, it would be a more realistic standard for fiscal years after the initial fiscal year claims.

B. One-time Activities

The draft audit report disallows claimed training time for employees who were claimed more than once during the eight fiscal years in the audit report. None of the time was disallowed as unreasonable. The parameters and guidelines identify the policy and procedures preparation and staff training activities as "one-time per employee." However, it should be considered that the content of the training would change over the span of years, thus the content would be a new one-time activity for repeat staff members. The language of Education Code section 76300 changes frequently and the subject matter of the relevant Title 5, CCR, sections maybe updated by the Board of Governors. There are also local changes in duties and procedures as a result of the change in the enrollment and registration process, for example, the evolving TREG and Web Advisor systems noted in the audit report. It should also be anticipated that the name of the supervisors or managers conducting the training would appear in the claims for several years. There should not be a blanket disallowance of staff time for persons whose name appears more than once without a determination of whether the subject matter of the training was duplicate of previously claimed training activities

2. Time Allowance for Ongoing Activities

The draft audit report identifies overstated costs of \$740,899 for ongoing enrollment fee collection activities and understated costs of \$85,924 for enrollment fee waiver activities, for a total adjustment amount of \$654,975.

The District's computation of ongoing costs is based on an average time reported from the March 2006 survey of relevant program staff of the amount of time (usually in minutes) required to complete the twelve activity components. These average times were multiplied by workload multipliers that closely approximate the number of students who paid enrollment fees and the number of students for whom enrollment fees were waived. The total hours per activity component was multiplied by either the specific productive hourly rate of the person performing the activity, or an average hourly rate when there were several persons in similar job classifications performing the activity.

The auditor utilizes enrollment BOGG-waiver statistics from the Chancellor's Office to approximate the number of students who paid enrollment fees and the number of students from whom enrollment fees were waived, while the District utilized information available from district records at the time the annual claims were prepared so some variances can be expected. Variances would result from the students who enrolled and paid enrollment fees, but thereafter left the district so they may not appear later in the Chancellor's statistics as an enrolled student. Another source of variance would be the time spent on waiver applications. There are more applications for waivers than waivers granted, which is not reflected by the Chancellor's statistics. The audit report also disallowed staff time for refunds due to lack of documentation to support the number of refunds. All of these differences stem from estimating workload multipliers when no such information was kept in the usual course of business. Given the entirety of the work performed and the nature of the staff survey, the District will not dispute any of these minor variances. There are also some major discrepancies in enrollment statistics for some of the fiscal years. When time is available after the receipt of the final audit report, the District will investigate these discrepancies and if additional information becomes available, we will include this in any incorrect reduction claim we might file.

The District disagrees with the audit report recommendation to maintain documentation of the enrollment data provided to the Chancellor's Office. The District will also determine if a method can be developed to identify the number of students who utilize the online enrollment process and the effect of the online system on average times. Regarding future staff time surveys, the audit report suggests the need for more specific activity descriptions and second-person observation of the time for each activity. There is a concern that more specific activity descriptions may stray from the scope of the parameters and guidelines language. This presents the potential problem of claiming activities outside of the scope of the parameters and guidelines, especially when each district that utilizes a survey process will have to establish its own activity descriptions, absent a statewide survey instrument. In future surveys, the District will match the specific activities in its policies and procedures manual to the parameters and guidelines activities which might better focus the responses and make it more representative for each employee performing the reimbursable activities.

SCO's Comment

The finding and recommendation remain unchanged.

Unsupported Costs

The parameters and guidelines state that the preparation of policies and procedures and staff training are reimbursable as a one-time activity [emphasis added] for the collection of enrollment fees and for determining which students are eligible for waiver of the enrollment fees. Further, the parameters and guidelines limit staff training to one-time cost per employee [emphasis added].

For preparation of policies and procedures, we allowed \$5,771 in enrollment fee collection costs for FY 1998-99 through FY 2000-01 and \$3,836 in enrollment fee waivers costs for FY 1999-2000. The district provided no documentation supporting that the remaining costs claimed related to the one-time activity of preparing policies and procedures. Furthermore, the CSM Final Staff Analysis for the Proposed Parameters and Guidelines (item 9 of the CSM's January 26, 2006, hearing) for one-time activities of adopting policies and procedures states, ". . . staff finds the updates to the policies and policies would be subject to change in the district's policy rather than state law, and would not be reimbursable. Therefore, staff modified this section to delete updating the policies and procedures and to specify that preparation of policies and procedures is a one-time activity." This would apply to any change in the district's enrollment and registration process resulting from changes in the district's TREG and WebAdvisor systems. If the district believes that updates of policies and procedures should be reimbursable, it should request the CSM to amend the parameters and guidelines.

For staff training, we allowed costs in the first year employees were claimed totaling \$3,709 for enrollment fee collection costs and \$5,463 in enrollment fee waivers costs. The district provided no documentation supporting the nature of the training or who conducted the training.

Time Allowances for Ongoing Activities

The district believes that minor variations occurred because the SCO used BOGG-waiver statistic from the California Community Colleges Chancellor's Office (CCCCO) while the district used information available from district records at the time the annual claims were prepared. The district noted that the audit report did not allow staff time for refunds to students who established fee waiver eligibility due to lack of documentation. The district indicated that these differences stem from information not maintained by the district in the usual course of business. The CCCCCO's BOGG-waiver statistics were based on student data that the district reported. The district stated that it would not dispute the minor variances.

However, the district stated that major discrepancies in enrollment statistics between the district's and CCCCCO's numbers occurred for some of the fiscal years and that it would investigate these variances after the issuance of the final audit report.

**FINDING 2—
Understated offsetting
savings/reimbursements**

The district understated offsetting savings/reimbursements by \$799,092 for the audit period. The understatement occurred because the district did not accurately report the amount received for enrollment fee collection and the amount waived for enrollment fee waivers.

We calculated allowable offsetting savings/reimbursements for all years of the audit period using instructions contained in the parameters and guidelines. Our calculations were based on enrollment fee collection and Board of Governors fee waivers information provided by the CCCCCO.

The following table summarizes understated offsetting savings/reimbursements:

<u>Fiscal Year</u>	<u>Enrollment Fee Collection</u>	<u>Enrollment Fee Waivers</u>	<u>Audit Adjustment</u>
1998-99	\$ (66,552)	\$ —	\$ (66,552)
1999-2000	(57,247)	(47,037)	(104,284)
2000-01	(68,983)	(13,068)	(82,051)
2001-02	153,937	(135,778)	18,159
2002-03	(93,698)	(11,702)	(105,400)
2003-04	(104,195)	(59,096)	(163,291)
2004-05	(163,633)	20,079	(143,554)
2005-06	(181,957)	29,838	(152,119)
Total	\$ (582,328)	\$ (216,764)	\$ (799,092)

The following table summarizes the understated enrollment fee collection and waiver portions of offsetting savings/reimbursements:

<u>Fiscal Year</u>	<u>Enrollment Fee Collection</u>			<u>Enrollment Fee Waivers</u>		
	<u>Claimed</u>	<u>Allowable</u>	<u>Audit Ad- justment</u>	<u>Claimed</u>	<u>Allowable</u>	<u>Audit Ad- justment</u>
1998-99	\$ 38,430	\$ 104,982	\$ (66,552)	\$ —	\$ —	\$ —
1999-2000	35,233	92,480	(57,247)	122,142	169,179	(47,037)
2000-01	33,229	102,212	(68,983)	128,380	141,448	(13,068)
2001-02	256,938	103,001	153,937	—	135,778	(135,778)
2002-03	18,523	112,221	(93,698)	125,791	137,493	(11,702)
2003-04	48,963	153,158	(104,195)	116,190	175,286	(59,096)
2004-05	48,713	212,346	(163,633)	228,926	208,847	20,079
2005-06	46,303	228,260	(181,957)	220,017	190,179	29,838
Total	\$ 526,332	\$1,108,660	\$(582,328)	\$ 941,446	\$1,158,210	\$(216,764)

The parameters and guidelines require claimants to report the following offsetting savings/reimbursements:

- Enrollment Fee Collection Program funds: 2% of the revenue from enrollment fees pursuant to Education Code section 76000, subdivision (c); and
- Enrollment Fee Waiver Program funds: Allocation to community colleges by the Community College Board of Governors from funds in the annual budget act pursuant to Government Code section 76300, subdivisions (g) and (h) as follows:
 - For July 1, 1999, to July 4, 2000, 2% of the fees waived and 7% of the fees waivers.
 - Beginning July 5, 2000, 2% of the fees waived and \$0.91 per credit unit waived.

Furthermore, the parameters and guidelines state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

Recommendation

We recommend that the district report all enrollment fee collection and waivers offsetting savings/reimbursements on its mandated cost claims consistent with the parameters and guidelines.

District’s Response

The offsetting revenues identified in the parameters and guidelines (Part VII) are of three types: the enrollment fee collection 2% administrative offset for all fiscal years, the enrollment fee waiver 2% BFAP allocation beginning FY 2000-01, and the \$.91 per unit waived BFAP-SFAA allocation beginning FY 2000-01 (7% for FY 1999-00). At the exit conference, the auditor provided schedules obtained by the auditor from the Chancellor’s Office of these revenue amounts for the District for each of the three types of revenue sources. However, this type of third-party information was and may not be generally available at the time the annual reimbursement claims are prepared. The District and other claimants, at the time the annual claims are prepared, must calculate the amounts based on contemporaneous enrollment information and the number of units waived, which will be a continuing source of minor differences.

The District concurs with the auditor’s recommendation (page 14) that claimants should report the revenue sources identified in the parameters and guidelines as an offset to the program costs. However, the revenue offsets should only be offset to the relevant mandated activity costs, rather than to the total costs claimed for both the EFC and EFW program activities. It appears that the audit revenue offsets for the EFW-related revenues are greater than the audited program costs for EFW for at least two fiscal years:

<u>Fiscal Year</u>	<u>Audited* Direct Cost</u>	<u>Indirect Cost Rate-Applied</u>	<u>ICR Total</u>	<u>Revenue</u>	
				<u>Costs</u>	<u>Offsets</u>
1999-00	\$119,066	34%	\$40,482	\$159,548	(\$172,453)
2000-01	<u>\$103,002</u>	34%	<u>\$35,021</u>	<u>\$138,023</u>	<u>(\$154,232)</u>
Totals	<u>\$222,068</u>		<u>\$75,503</u>	<u>\$297,571</u>	<u>(\$326,685)</u>

Difference: excess revenue offset \$29,114

* The audited direct costs are taken from the auditor’s “Summary Schedule of Salaries and Benefits Adjustments-Allowable Costs” dated February 2, 2011, which the District believes is the latest version of the schedule.

The District requests that the EFW revenue offsets for these two fiscal years be limited to the EFW program costs as a matter of the proper matching revenues to costs.

SCO's Comment

We concur with the district's comment that enrollment fee waivers offset should be limited to allowable enrollment fee waivers cost. Consequently, we reduced offsetting savings/reimbursements for enrollment fee waivers by \$16,058 (\$3,274 for FY 1999-2000 and \$12,784 for FY 2000-01) from \$232,822 to \$216,764. The remaining finding and the recommendation remain unchanged.

The latest version of the SCO's "Summary Schedule of Salaries and Benefits Adjustments" is dated February 18, 2011.

For FY 1999-2000, allowable enrollment fee waivers costs total \$169,179. This amount consists of \$126,253 in direct costs (\$123,906 in salaries and benefits and \$2,347 in materials and supplies) and \$42,926 in indirect costs. Actual enrollment fee waivers offsets total \$172,453, which is \$3,274 in excess of allowable cost. We limited FY 1999-2000 enrollment fee waivers offset to allowable cost of \$169,179.

For FY 2000-01, allowable enrollment fee waivers costs total \$141,448. This amount consists of \$105,558 in direct costs (\$103,002 in salaries and benefits and \$2,556 in materials and supplies) and \$35,890 in indirect costs. Actual enrollment fee waivers offsets total \$154,232, which is \$12,784 in excess of allowable cost. We limited FY 2000-01 enrollment fee waivers offset to allowable costs of \$141,448.

OTHER ISSUES

The district's response included other comments related to fraud risk assessment, management representation letter, and public records request. The district's responses and SCO's comments are presented below.

Fraud Risk AssessmentDistrict's Response

The draft audit report (page 2) states that the auditor was "unable to assess fraud risk because the district, based on its consultant's advice, did not respond to our inquiries regarding fraud assessment." The District determined that providing written responses to the Controller's boilerplate fraud assessment questionnaire is outside the scope of a mandate compliance audit and could be construed as a waiver of future appeal rights. The District did respond verbally to these questions.

SCO's Comment

The district's mandate consultant advised us at the entrance conference that the district would not respond to the fraud section of the internal control questionnaire. Consequently, we did not ask the district verbal fraud risk assessment questions. We attempted to assess fraud risk to comply with generally accepted government auditing standards. Responding to the SCO's fraud assessment questionnaire does not waive the district's future appeal rights.

Management Representation LetterDistrict's Response

The District will not be providing the requested management representation letter since it could be construed as a waiver of future appeal rights.

SCO's Comment

We asked the district's representative to submit a written representation letter regarding the district's accounting procedures, financial records, and mandated cost claiming procedures as recommended by generally accepted government auditing standards. Responding to the SCO's management representation letter does not waive the district's future appeal rights.

Public Records RequestDistrict's Response

In accordance with the Government Code Section 6253, subdivision (c), the District requests that the Controller provide the District any and all written instructions, memoranda, or other writings in effect and applicable during the claiming periods to the findings.

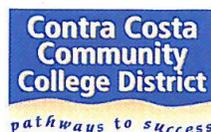
SCO's Comment

The SCO will respond to the public records request in a separate letter dated March 25, 2011.

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

Governing Board

John T. Nejedly, *President*
Jess H. Reyes, *Vice President*
Tomi Van de Brooke, *Secretary*
Sheila A. Grilli
John E. Márquez



Chancellor
Helen Benjamin, Ph.D.

College Presidents
Contra Costa College McKinley Williams
Diablo Valley College Peter García (Interim)
Los Medanos College Richard Livingston (Interim)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 9, 2011

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

Re: Enrollment Fee Collection and Waivers
FY 1998-99 through 2005-06
Contra Costa Community College District

Dear Mr. Spano:

This letter is the response of the Contra Costa Community College District to the draft audit report dated February 25, 2011, received by e-mail on that date, for the above referenced program and fiscal years transmitted by the letter from Jeffrey V. Brownfield, Chief, Division of Audits, State Controller's Office.

Finding 1 - Overstated salaries and benefits

The draft audit report states that the District claimed unallowable salaries and benefits in the amount of \$744,323. This amount consists of \$89,348 of "unsupported costs" and \$654,975 for "errors applying time allowances."

1. Unsupported Costs

A total of \$89,348 was disallowed for staff time claimed for polices and procedures and staff training due to lack of supporting documentation and for duplicate time claimed for "one-time" training activities.

A. Supporting Documentation

The draft audit report states that the disallowed policies and procedures and some of the staff training time was not supported by contemporaneous documentation of time spent or corroborating evidence of activities performed. None of the time was disallowed as unreasonable. The audit report characterizes the disallowed time as "estimates." It should be noted that the parameters and guidelines were adopted January 26, 2006, and the first claiming instructions for the initial fiscal years were released thereafter. The District had no actual notice of approved reimbursement for this program until that time. It seems unreasonable to require contemporaneous documentation of daily staff time for

Contra Costa Community College District
500 Court Street, Martinez, California 94553
925.229.1000 www.4cd.edu

the retroactive initial fiscal years. While some historic staff time can be reconstructed from calendars and desk diaries, other staff time cannot and must be reported as a good-faith estimate. While the District agrees with the audit report recommendation that the District maintain records that document actual time spent on mandate-related activities, it would be a more realistic standard for fiscal years after the initial fiscal year claims.

B. One-time Activities

The draft audit report disallows claimed training time for employees who were claimed more than once during the eight fiscal years in the audit period. None of the time was disallowed as unreasonable. The parameters and guidelines identify the policy and procedures preparation and staff training activities as "one-time per employee." However, it should be considered that the content of the training would change over the span of years, thus the content would be a new one-time activity for repeat staff members. The language of Education Code section 76300 changes frequently and the subject matter of the relevant Title 5, CCR, sections may be updated by the Board of Governors. There are also local changes in duties and procedures as a result of the change in the enrollment and registration process, for example, the evolving TREG and WebAdvisor systems noted in the audit report. It should also be anticipated that the name of the supervisors or managers conducting the training would appear in the claims for several years. There should not be a blanket disallowance of staff time for persons whose name appears more than once without a determination of whether the subject matter of the training was duplicate of previously claimed training activities.

2. Time Allowances for Ongoing Activities

The draft audit report identifies overstated costs of \$740,899 for ongoing enrollment fee collection activities and understated costs of \$85,924 for enrollment fee waiver activities, for a total adjustment amount of \$654,975.

The District's computation of ongoing costs is based on an average time reported from the March 2006 survey of relevant program staff of the amount of time (usually in minutes) required to complete the twelve activity components. These average times were multiplied by workload multipliers that closely approximate the number of students who paid enrollment fees and the number of students for whom enrollment fees were waived. The total hours per activity component was multiplied by either the specific productive hourly rate of the person performing the activity, or an average hourly rate when there were several persons in similar job classifications performing the activity.

The auditor utilized enrollment BOGG-waiver statistics from the Chancellor's Office to approximate the number of students who paid enrollment fees and the number of students for whom enrollment fees were waived, while the District utilized information available from district records at the time the annual claims were prepared so some variances can be expected. Variances would result from the students who enrolled and paid enrollment fees, but thereafter left the district so they may not appear later in the Chancellor's statistics as an enrolled student. Another source of a variance would be the time spent on waiver applications. There are more applications for waivers than waivers granted, which is not reflected by the Chancellor's statistics. The audit report also disallowed staff time for refunds due to lack of documentation to

support the number of refunds. All of these differences stem from estimating workload multipliers when no such information was kept in the usual course of business. Given the entirety of the work performed and the nature of the staff survey, the District will not dispute any of these minor variances. There are also some major discrepancies in enrollment statistics for some of the fiscal years. When time is available after the receipt of the final audit report, the District will investigate these discrepancies and if additional information becomes available, we will include this in any incorrect reduction claim we might file.

The District agrees with the audit report recommendation to maintain documentation of the enrollment data provided to the Chancellor's Office. The District will also determine if a method can be developed to identify the number of students who utilize the online enrollment process and the effect of the online system on average times. Regarding future staff time surveys, the audit report suggests the need for more specific activity descriptions and second-person observation of the time for each activity. There is a concern that more specific activity descriptions may stray from the scope of the parameters and guidelines language. This presents the potential problem of claiming activities outside of the scope of the parameters and guidelines, especially when each district that utilizes a survey process will have to establish its own activity descriptions, absent a statewide survey instrument. In future surveys, the District will match the specific activities in its policies and procedures manual to the parameters and guidelines activities which might better focus the responses and make it more representative for each employee performing the reimbursable activities.

Finding 2 - Understated offsetting savings/reimbursement

The draft audit report states that the District understated offsetting savings and reimbursements by \$815,150. The major source of the difference in the claimed and audited revenue amounts is that the 2% BFAP allocation was not claimed for FY 2001-02 and incorrectly calculated for FY 2002-03.

The offsetting revenues identified in the parameters and guidelines (Part VII) are of three types: the enrollment fee collection 2% administrative offset for all fiscal years, the enrollment fee waiver 2% BFAP allocation beginning FY 2000-01, and the \$.91 per unit waived BFAP-SFAA allocation beginning FY 2000-01 (7% for FY 1999-00). At the exit conference, the auditor provided schedules obtained by the auditor from the Chancellor's Office of these revenue amounts for the District for each of the three types of revenue sources. However, this type of third-party information was and may not be generally available at the time the annual reimbursement claims are prepared. The District and other claimants, at the time the annual claims are prepared, must calculate the amounts based on contemporaneous enrollment information and the number of units waived, which will be a continuing source of minor differences.

The District concurs with the auditor's recommendation (page 14) that claimants should report the revenue sources identified in the parameters and guidelines as an offset to the program costs. However, the revenue offsets should only be offset to the *relevant* mandated activity costs, rather than to the total costs claimed for both the EFC and EFW program activities. It appears that the audit revenue offsets for the EFW-related revenues are greater than the audited program costs for EFW for at least two fiscal years:

<u>Audited Fiscal Year</u>	<u>Audited * Direct Cost</u>	<u>Indirect Cost Rate -Applied</u>	<u>ICR Total</u>	<u>Revenue Costs</u>	<u>Revenue Offset</u>
1999-00	\$119,066	34%	\$40,482	\$159,548	(\$172,453)
2000-01	<u>\$103,002</u>	34%	<u>\$35,021</u>	<u>\$138,023</u>	<u>(\$154,232)</u>
Totals	<u>\$222,068</u>		<u>\$75,503</u>	<u>\$297,571</u>	<u>(\$326,685)</u>
Difference: excess revenue offset				\$29,114	

*The audited direct costs are taken from the auditor's "Summary Schedule of Salaries and Benefits Adjustments-Allowable Costs" dated February 2, 2011, which the District believes is the latest version of the schedule.

The District requests that the EFW revenue offsets for these two fiscal years be limited to the EFW program costs as a matter of the proper matching revenues to costs.

Fraud Risk Assessment

The draft audit report (page 2) states that the auditor was "unable to assess fraud risk because the district, based on its consultant's advice, did not respond to our inquiries regarding fraud assessment." The District determined that providing written responses to the Controller's boilerplate fraud assessment questionnaire is outside the scope of a mandate compliance audit and could be construed as a waiver of future appeal rights. The District did respond verbally to these questions.

Management Representation Letter

The District will not be providing the requested management representation letter since it could be construed as a waiver of future appeal rights.

Public Records Request

In accordance with Government Code Section 6253, subdivision (c), the District requests that the Controller provide the District any and all written instructions, memoranda, or other writings in effect and applicable during the claiming periods to the findings.

Sincerely,



Kindred Murillo, Ed.D.
Vice Chancellor, Districtwide Administrative Services

cc: Judy Breza, Director of Fiscal Services
Keith Petersen, SixTen and Associates

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

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

GAVILAN COMMUNITY COLLEGE DISTRICT

Audit Report

ENROLLMENT FEE COLLECTION AND WAIVERS PROGRAM

Education Code Section 76300 and *California Code of Regulations*,
Title 5, sections 58501-58503, 58611-58613, 58620, and 58630

July 1, 1998, through June 30, 2008



JOHN CHIANG
California State Controller

April 2011



JOHN CHIANG
California State Controller

April 8, 2011

Laura A. Perry, Esq., President
Board of Trustee
Gavilan Community College District
5055 Santa Teresa Boulevard
Gilroy, CA 95020

Dear Ms. Perry:

The State Controller's Office audited the costs claimed by Gavilan Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and California Code of Regulations, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2008.

The district claimed \$3,857,220 for the mandated program. Our audit disclosed that \$90,288 is allowable and \$3,766,932 is unallowable. The costs are unallowable because the district claimed unsupported and ineligible salaries and benefits and contract services, overstated the indirect cost rates, and overstated offsetting savings/reimbursements. The State made no payment to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$90,288, contingent upon available appropriations.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's Web site at www.csm.ca.gov/docs/IRCForm.pdf.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/WM

cc: Steven M. Kinsella, D.B .A.
Superintendent/President
Joseph D. Keeler
Vice President of Administrative Services
Gavilan Community College District
Christine Atalig, Auditor
Fiscal Services Unit
California Community Colleges Chancellor's Office
Thomas Todd, Principal Program Budget Analyst
Education Systems Unit
Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Gavilan Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and California Code of Regulations, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2008.

The district claimed \$3,857,220 for the mandated program. Our audit disclosed that \$90,288 is allowable and \$3,766,932 is unallowable. The costs are unallowable because the district claimed unsupported and ineligible salaries and benefits and contract services, overstated the indirect cost rates, and overstated offsetting savings/reimbursements. The State made no payment to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$90,288, contingent upon available appropriations.

Background

Education Code section 76300 and California Code of Regulations, Title 5, sections 58501-58503; 58611-58613; 58620; and 58630 requires community college districts to perform specific activities related to collecting enrollment fees; and granting fee waivers, Board of Governor's (BOG) Grants and financial assistance to students.

The sections were added and/or amended by:

- Chapter 1, Statutes of 1984
- Chapters 274 and 1401, Statutes of 1984
- Chapters 920 and 1454, Statutes of 1985
- Chapters 46 and 395, Statutes of 1986
- Chapter 1118, Statutes of 1987
- Chapter 136, Statutes of 1989
- Chapter 114, Statutes of 1991
- Chapter 703, Statutes of 1992
- Chapters 8, 66, 67, and 1124, Statutes of 1993
- Chapters 153 and 422, Statutes of 1994
- Chapter 308, Statutes of 1995
- Chapter 63, Statutes of 1996
- Chapter 72, Statutes of 1999

On April 24, 2003, the Commission on State Mandates (CSM) adopted the statement of decision for the Enrollment Fee Collection and Waivers Program. The CSM found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on community college districts within the meaning of Article XIII B, section 6 of the California Constitution and Government Code section 17514.

The CSM found that the following activities are reimbursable:

- Calculating and collecting the student enrollment fee for each student enrolled except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f).
- Waiving student fees in accordance with the groups listed in Education Code section 76300, subdivisions (g) and (h).
- Waiving fees for students who apply for and are eligible for BOG fee waivers.
- Adopting procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 26, 2006. In compliance with Government Code section 17558, SCO issues claiming instructions to assist local agencies and 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 Enrollment Fee Collection and Waivers Program for the period of July 1, 1998, through June 30, 2008.

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

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. Except for the issue noted below, we conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We were unable to assess fraud risk because the district, based on its consultant's advice, did not respond to our inquiries regarding fraud assessment. We increased our substantive testing; however, increased testing would not necessarily identify a fraud or abuse that may have occurred.

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

We asked the district to submit a written representation letter regarding the district's accounting procedures, financial records, and mandated cost claiming procedures as recommended by generally accepted government auditing standards. However, the district declined our request and did not submit a representation letter.

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, Gavilan Community College District claimed \$3,857,220 for costs of the Enrollment Fee Collection and Waivers Program. Our audit disclosed that \$90,288 is allowable and \$3,766,932 is unallowable.

The State made no payment to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$71,974, contingent upon available appropriations.

Views of Responsible Officials

We issued a draft audit report on March 11, 2011. Joseph K. Keeler, Vice President of Administrative Services responded by letter dated March 24, 2011 (Attached) disagreeing with the audit results. The final audit report includes the district's response.

Restricted Use

This report is solely for the information and use of Gavilan 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

April 8, 2011

**Schedule 1—
Summary of Program Costs
July 1, 1998, through June 30, 2008**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 1998, through June 30, 1999</u>				
Direct costs:				
Salaries and benefits	\$ 214,360	\$ 8,503	\$ (205,857)	Findings 1, 2
Total direct costs	214,360	8,503	(205,857)	
Indirect costs	76,483	1,575	(74,908)	Finding 4
Total direct and indirect costs	290,843	10,078	(280,765)	
Less offsetting reimbursements:				
Enrollment fee collection	(5,803)	(10,078)	(4,275)	Finding 5
Total program costs	<u>\$ 285,040</u>	—	<u>\$ (285,040)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 1999, through June 30, 2000</u>				
Direct costs:				
Salaries and benefits	\$ 250,594	\$ 11,880	\$ (238,714)	Findings 1, 2
Total direct costs	250,594	11,880	(238,714)	
Indirect costs	85,778	1,675	(84,103)	Finding 4
Total direct and indirect costs	336,372	13,555	(322,817)	
Less offsetting reimbursements:				
Enrollment fee collection	(5,448)	(591)	4,857	Finding 5
Enrollment fee waivers	(11,361)	(12,964)	(1,603)	Finding 5
Total program costs	<u>\$ 319,563</u>	—	<u>\$ (319,563)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2000, through June 30, 2001</u>				
Direct costs:				
Salaries and benefits	\$ 329,358	\$ 12,445	\$ (316,913)	Findings 1, 2
Total direct costs	329,358	12,445	(316,913)	
Indirect costs	120,380	1,944	(118,436)	Finding 4
Total direct and indirect costs	449,738	14,389	(435,349)	
Less offsetting reimbursements:				
Enrollment fee collection	(5,194)	(718)	4,476	Finding 5
Enrollment fee waivers	(12,001)	(13,671)	(1,670)	Finding 5
Total program costs	<u>\$ 432,543</u>	—	<u>\$ (432,543)</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 ¹
<u>July 1, 2001, through June 30, 2002</u>				
Direct costs:				
Salaries and benefits	\$ 313,425	\$ 14,379	\$ (299,046)	Findings 1, 2
Total direct costs	313,425	14,379	(299,046)	
Indirect costs	112,394	2,350	(110,044)	Finding 4
Total direct and indirect costs	425,819	16,729	(409,090)	
Less offsetting reimbursements:				
Enrollment fee collection	(5,036)	(920)	4,116	Finding 5
Enrollment fee waivers	(13,766)	(15,809)	(2,043)	Finding 5
Total program costs	<u>\$ 407,017</u>	—	<u>\$ (407,017)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2002, through June 30, 2003</u>				
Direct costs:				
Salaries and benefits	\$ 332,386	\$ 21,644	\$ (310,742)	Findings 1, 2
Total direct costs	332,386	21,644	(310,742)	
Indirect costs	109,289	3,138	(106,151)	Finding 4
Total direct and indirect costs	441,675	24,782	(416,893)	
Less offsetting reimbursements:				
Enrollment fee collection	(4,604)	(1,594)	3,010	Finding 5
Enrollment fee waivers	(20,492)	(23,188)	(2,696)	Finding 5
Total program costs	<u>\$ 416,579</u>	—	<u>\$ (416,579)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Direct costs:				
Salaries and benefits	\$ 327,425	\$ 21,660	\$ (305,765)	Findings 1, 2
Contracted services	1,231	1,231	—	
Total direct costs	328,656	22,891	(305,765)	
Indirect costs	118,822	3,376	(115,446)	Finding 4
Total direct and indirect costs	447,478	26,267	(421,211)	
Less offsetting reimbursements:				
Enrollment fee collection	(13,194)	(2,105)	11,089	Finding 5
Enrollment fee waivers	(21,318)	(24,162)	(2,844)	Finding 5
Total program costs	<u>\$ 412,966</u>	—	<u>\$ (412,966)</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 ¹
<u>July 1, 2004, through June 30, 2005</u>				
Direct costs:				
Salaries and benefits	\$ 345,500	\$ 18,850	\$ (326,650)	Findings 1, 2
Contracted services	666	666	—	
Total direct costs	346,166	19,516	(326,650)	
Indirect costs	117,332	6,173	(111,159)	Finding 4
Total direct and indirect costs	463,498	25,689	(437,809)	
Less offsetting reimbursements:				
Enrollment fee collection	(19,536)	(4,163)	15,373	Finding 5
Enrollment fee waivers	(16,457)	(21,526)	(5,069)	Finding 5
Total program costs	<u>\$ 427,505</u>	—	<u>\$ (427,505)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2005, through June 30, 2006</u>				
Direct costs:				
Salaries and benefits	\$ 356,976	\$ 21,458	\$ (335,518)	Findings 1, 2
Total direct costs	356,976	21,458	(335,518)	
Indirect costs	131,795	7,223	(124,572)	Finding 4
Total direct and indirect costs	488,771	28,681	(460,090)	
Less offsetting reimbursements:				
Enrollment fee collection	(18,570)	(3,037)	15,533	Finding 5
Enrollment fee waivers	(19,472)	(25,644)	(6,172)	Finding 5
Total program costs	<u>\$ 450,729</u>	—	<u>\$ (450,729)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2006, through June 30, 2007</u>				
Direct costs:				
Salaries and benefits	\$ 195,166	\$ 67,546	\$ (127,620)	Findings 1, 2
Total direct costs	195,166	67,546	(127,620)	
Indirect costs	71,138	22,743	(48,395)	Finding 4
Total direct and indirect costs	266,304	90,289	(176,015)	
Less offsetting reimbursements:				
Enrollment fee collection	(24,561)	(438)	24,123	Finding 5
Enrollment fee waivers	(69,473)	(65,170)	4,303	Finding 5
Total program costs	<u>\$ 172,270</u>	24,681	<u>\$ (147,589)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 24,681</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2007, through June 30, 2008</u>				
Direct costs:				
Salaries and benefits	\$ 374,267	\$ 91,555	\$ (282,712)	Findings 1, 2
Contracted services	91,273	18,262	(73,011)	Finding 3
Total direct costs	465,540	109,817	(355,723)	
Indirect costs	148,023	38,535	(109,488)	Finding 4
Total direct and indirect costs	613,563	148,352	(465,211)	
Less offsetting reimbursements:				
Enrollment fee collection	(18,738)	(22,186)	(3,448)	Finding 5
Enrollment fee waivers	(61,817)	(60,559)	1,258	Finding 5
Total program costs	<u>\$ 533,008</u>	65,607	<u>\$ (467,401)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 65,607</u>		
<u>Summary: July 1, 1998 through June 30, 2008</u>				
Direct costs:				
Salaries and benefits	\$ 3,039,457	\$ 289,920	\$ (2,749,537)	
Contracted services	93,170	20,159	(73,011)	
Total direct costs	3,132,627	310,079	(2,822,548)	
Indirect costs	1,091,434	88,732	(1,002,702)	
Total direct and indirect costs	4,224,061	398,811	(3,825,250)	
Less offsetting reimbursements:				
Enrollment fee collection	(120,684)	(45,830)	74,854	
Enrollment fee waivers	(246,157)	(262,693)	(16,536)	
Total program costs	<u>\$ 3,857,220</u>	90,288	<u>\$ (3,766,932)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 90,288</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

**FINDING 1—
Overstated salaries
and benefits**

The district claimed unallowable salaries and benefits of \$652,279. The costs are unallowable because the district did not provide documentation supporting some of its costs, totaling \$116,550, and made errors when applying time allowances totaling \$535,729.

Unsupported Costs

The district did not provide documentation supporting hours it claimed for one-time activities. The unsupported costs total \$116,550—\$115,505 related to enrollment fee collection and \$1,045 related to enrollment fee waivers.

The unsupported costs related to the following activities claimed:

	Enrollment Fee Collection	Enrollment Fee Waivers	Total
One-time activities:			
Prepare district policies and procedures	\$ (42,342)	\$ (1,045)	\$ (43,387)
Staff training (one-time per employee)	(73,163)	—	(73,163)
Total	\$ (115,505)	\$ (1,045)	\$ (116,550)

For the one-time activity of preparing district policies and procedures, we allowed costs in the first fiscal year they were claimed totaling \$7,263 for fiscal year (FY) 1998-99 enrollment fee collection costs and \$173 for FY 1999-2000 enrollment fee waivers costs. For the remaining years (FY 1999-2000 through FY 2005-06 for enrollment fee collection costs and FY 2000-01 through FY 2005-06 for enrollment fee waivers costs), the district did not provide support for such costs.

For the one-time activity of staff training (one time per employee), we allowed costs in the first year employees were claimed totaling \$681 for FY 1998-99 and \$568 for FY 2002-03 for enrollment fee collection costs. We allowed all enrollment fee waivers staff training costs totaling \$42. For FY 1999-2000 through FY 2005-06, we determined that \$9,488 in enrollment fee collection costs were unallowable because the employees had been claimed previously. The district provided no documentation related to the nature of the training. For FY 2006-07, the district claimed no training costs. For FY 2007-08 we determined, based on documentation the district provided, that \$63,675 of \$82,358 claimed for enrollment fee collection costs were unallowable. Most of the costs related to non-mandated activities. We provided the district with a copy of our analysis and requested comments; the district did not respond.

Errors in Application of Time Allowances for Ongoing Activities

The district claimed salaries and benefits for 12 activities using time allowances developed from estimated time it took staff to complete various activities. On survey forms developed by the district’s mandate consultant, employees estimated, for each fiscal year, the average time in minutes it took them to perform the 12 activities per student per year. In

applying the time allowances, the district did not report the correct number of students related to the various cost components. We recalculated reimbursable activities using the correct number of students and determined that the district overstated salaries and benefits by \$535,729—overstated enrollment fee collection costs totaling \$544,326 and understated enrollment fee waivers costs totaling \$8,597.

Enrollment Fee Collection

For enrollment fee collection costs, the district claimed costs related to: (1) referencing student accounts and printing a list of enrolled courses; (2) calculating the fees, processing the payment, and preparing a payment receipt; (3) answering student questions or referring them to the appropriate person for an answer; (4) updating student records for the enrollment fee information, providing a copy to the student, and copying/filing enrollment fee documentation; (5) collecting delinquent fees; and (6) processing fee refunds for students who establish fee waiver eligibility and updating student and district records as required. The district determined reimbursable costs by applying a multiplier to the time allowances it determined through a time study.

For activities (1) and (3), the district used total enrolled students as the multiplier. For activities (2) and (4), the district used students paying the enrollment fee as the multiplier. The district did not support the numbers it used for the multiplier. We updated the district's calculation based on student enrollment information it reported to the California Community Colleges Chancellor's Office (CCCCO). Based on updated student enrollment information, we determined that of the \$2,508,095 claimed, \$410,837 was overstated because of calculation errors for activities (1) through (4). The remaining costs totaled \$2,097,258. The calculation errors occurred for the following reasons:

- For activities (1) and (3), the district claimed costs for reimbursable student enrollment numbers that did not agree with the enrollment numbers documented by the CCCCCO. Reimbursable student enrollment excludes non-resident and special part-time students (students who attend a community college while in high school pursuant to Education Code section 76001). We obtained student enrollment, non-resident student, and special part-time student numbers from the CCCCCO. The CCCCCO's management information system (MIS) identifies enrollment information based on student data that the district reported. CCCCCO identifies the district's enrollment based on CCCCCO's MIS data element STD 7, codes A through G. CCCCCO eliminates any duplicate students based on their Social Security numbers.
- For activities (2) and (4), the district did not provide support for its calculation of the total number of students paying the fee. We calculated reimbursable students paying the fees by deducting Board of Governor Grant (BOGG) recipients from reimbursable student enrollments. In calculating enrollment fee waivers (for components 7 through 10 below), the district used the BOGG numbers reported on the CCCCCO's Web site. We used that number when calculating the number of BOGG recipients. However, the more accurate numbers of

BOGG recipients are the numbers maintained by the CCCCCO based on data the district reported. The CCCCCO identifies the number of BOGG recipients based on MIS data element SF21 and all codes with the first letter of B or F. The BOGG recipient numbers provided by the CCCCCO did not vary significantly from the numbers reported on its Web site. The annual number of BOGG recipients confirmed directly with the CCCCCO totaled 23,716 while the number of BOGG recipients reported on the CCCCCO's Web site totaled 23,964, a difference of 248.

For activity (5), the district claimed delinquent fee collection costs based on the number of delinquent dollars rather than the number of delinquent students for FY 1998-99 through FY 2003-04, FY 2005-06, and FY 2006-07. Based on updated student count, the district overstated costs by \$133,489.

For activity (6), the district claimed costs based on the number of students who received a refund. We identified no errors for this activity.

We recalculated reimbursable on-going enrollment fee collection costs for activities (1) through (6) and determined that the district overstated allowable costs by \$544,326.

Enrollment Fee Waivers

For enrollment fee waivers costs, the district claimed costs related to: (7) answering student questions or referring them to the appropriate person for an answer; (8) receiving waiver applications; (9) evaluating waiver applications; (10) providing notice to student that additional documents were needed; (11) inputting approved applications; and (12) reviewing and evaluating additional information and documentation for denied application if appealed and providing students written notifications of the appeal results or any change in eligibility status.

For activities (7) through (9), and (11), the district used the number of BOGG waivers reported on the CCCCCO's Web site for FY 1999-2000 through FY 2004-05, and FY 2007-08. The numbers used by the district for FY 2005-06 and FY 2006-07 did not agree with the numbers reported on the CCCCCO's Web site and excluded denied appeals. Also, the district made computation errors when calculating the FY 2007-08 amounts. For components (10) and (12), the district used the number of denied appeals for FY 2005-06 and FY 2006-07. We did not adjust the numbers used by the district for components (10) and (12).

We recalculated reimbursable ongoing enrollment fee waivers costs for components (7) through (9), and (11), and determined that the district understated allowable costs by \$8,597.

The following table summarizes the unallowable salaries and benefits for ongoing enrollment fee collection and waivers costs:

Fiscal Year	Allowable Salaries and Benefits	Claimed Salaries and Benefits	Audit Adjustment
1998-99	\$ 172,092	\$ 214,360	\$ (42,268)
1999-2000	189,742	250,594	(60,852)
2000-01	257,585	329,358	(71,773)
2001-02	243,484	326,983	(83,499)
2002-03	255,099	332,386	(77,287)
2003-04	234,298	327,425	(93,127)
2004-05	263,145	345,500	(82,355)
2005-06	276,387	356,597	(80,210)
2006-07	170,559	184,943	(14,384)
2007-08	324,302	370,826	(46,524)
Total	<u>\$ 2,386,693</u>	<u>\$ 3,038,972</u>	<u>\$ (652,279)</u>

The following table details the unallowable salaries and benefits by unsupported costs and errors in the district’s application of time study for ongoing activities:

Fiscal Year	Unsupported Costs			Errors in Application of Time Study			Audit Adjustment
	Enroll-ment Fee Collection	Enroll-ment Fee Waivers	Subtotal	Enroll-ment Fee Collection	Enroll-ment Fee Waivers	Subtotal	
1998-99	\$ —	\$ —	\$ —	\$ (42,268)	\$ —	\$ (42,268)	\$ (42,268)
1999-2000	(8,985)	—	(8,985)	(51,867)	—	(51,867)	(60,852)
2000-01	(7,333)	(177)	(7,510)	(64,263)	—	(64,263)	(71,773)
2001-02	(7,545)	(178)	(7,723)	(75,776)	—	(75,776)	(83,499)
2002-03	(9,379)	(240)	(9,619)	(67,668)	—	(67,668)	(77,287)
2003-04	(13,426)	(261)	(13,687)	(79,440)	—	(79,440)	(93,127)
2004-05	(2,257)	(105)	(2,362)	(79,993)	—	(79,993)	(82,355)
2005-06	(2,905)	(84)	(2,989)	(77,018)	(203)	(77,221)	(80,210)
2006-07	—	—	—	(12,129)	(2,255)	(14,384)	(14,384)
2007-08	(63,675)	—	(63,675)	6,096	11,055	17,151	(46,524)
Total	<u>\$(115,505)</u>	<u>\$ (1,045)</u>	<u>\$(116,550)</u>	<u>\$(544,326)</u>	<u>\$ 8,597</u>	<u>\$(535,729)</u>	<u>\$(652,279)</u>

Education Code section 76300 authorizes community college districts to calculate and collect student enrollment fees and to waive student fees in certain instances. The code directs districts to report the number of, and amounts provided for, BOGGs and to adopt procedures that will document all financial assistance provided on behalf of students.

The program’s parameters and guidelines (section IV–Reimbursable Activities) state “. . . actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question.”

The parameters and guidelines also state that salaries and benefits are reimbursable if claimants report each employee implementing the reimbursable activities by name, job classification, productive hourly rate, and provide a description of the specific reimbursable activities performed and the hours devoted to these activities.

The parameters and guidelines state that the preparation of policies and procedure is reimbursable as a one-time activity for collection of enrollment fees and for determining which students are eligible for waiver of the enrollment fees. The CSM Final Staff Analysis and Proposed Parameters and Guidelines dated January 13, 2006, for the one-time activity of adopting policies and procedures, states “. . . staff finds that updates to the policies and procedures would be subject to change in the community college district’s policy rather than state law, and would not be reimbursable.”

The parameters and guidelines also states that staff training is reimbursable as a one-time costs per employee for training district staff that implement the program on the procedures for the collection of enrollment fees and for determining which students are eligible for waiver of the enrollment fee. Consistent with the Final Staff Analysis for policies and procedures, training for changes in the community college district’s policy is not reimbursable.

Recommendation

We recommend that the district maintain records that document actual time spent on mandate-related activities. In addition, we recommend that the district maintain documentation that identifies the number of students excluded as required by Education Code section 76300.

District’s Response

The draft audit report states that the District claimed unallowable salaries and benefits in the amount of \$652,764. This amount consists of \$119,991 of “unsupported costs” and \$532,773 for “errors applying time allowances.”

1. Policies and Procedures and Training

A total of \$116,550 was disallowed for staff time claimed for policies and procedures and staff training. The draft audit report disallowed most of the staff time reported for four reasons, all of which are characterized there as “unsupported costs.” None of the staff time was disallowed as unreasonable.

The draft audit report states variously that the District did not provide “support” for claimed costs, or provided “no documentation”. The general audit standard applied was contemporaneous documentation of time spent or corroborating evidence of activities performed. It should be remembered that the parameters and guidelines were adopted January 26, 2006, and the first claiming instructions for the initial fiscal years were released thereafter. Claimants had no actual notice of approved reimbursement for this program until that time. It seems unreasonable to require contemporaneous documentation of daily staff time for the retroactive initial fiscal years. While some historic staff time can be reconstructed from calendars and desk diaries, other staff time cannot and must be reported as good-faith estimate where the desired information is not maintained in the regular course of business. While the District agrees with the audit report recommendation that claimants maintain records that document actual time spent on mandate-related activities, it would be a more realistic standard only for fiscal years several years after the period of the initial fiscal year claims.

Where the documentation is apparently sufficient, the auditor made qualitative judgments regarding the scope of activities as to whether they were related to the mandate program, for example, as in the Banner mock registration process. The District does not agree that those sessions and other training events are qualitatively divisible as determined by the auditor. Since this is a basic difference of opinion, it has to be resolved by the incorrect reduction claim process.

The audit report essentially disallows staff time for policies and procedures after the first instances of reported costs for these activities in FY 1998-99 and FY 1999-00 as a duplication of one-time costs. The audit report cites the Commission Final Staff Analysis for the parameters and guidelines for the premise, not stated in the parameters and guidelines, that updates to policies and procedures result from changes in local policy. This is a factual assumption not supported by the audit findings, and seemingly contrary to the thirteen changes in state law listed in the audit report. The audit report makes no findings on the content of the changes made to policies and procedures to support this adjustment.

The draft audit report disallows claimed training time for employees who were claimed more than once during the ten fiscal years in the audit period. The parameters and guidelines identify the staff training activities as “one-time per employee.” However, it should be considered that the content of the training would change over the span of years, thus new content would be a new one-time activity for repeat staff members. The language of Education Code Section 76300 changed frequently and the subject matter of the relevant Title 5, CCR, sections may have been updated by the Board of Governors. There are also local changes in duties and procedures as a result of the change in the enrollment and registration process; for example, the evolving telephone and OLGA system noted in the audit report. It should also be anticipated that the name of the supervisors or managers conducting the training would appear in the claims for several years. There should be no blanket allowance of the staff time for persons whose name appears more than once without a determination of whether the subject matter of the training was duplicate of previously claimed training activities.

2. Time Allowances for Ongoing Activities

The draft audit report identifies “errors when applying time allowances” of \$530,768 in overstated ongoing enrollment fee collection activities and understated costs of \$2,005 for ongoing enrollment fee waiver activities. The District’s computation of ongoing program costs is based on the average time reported from the several surveys of relevant program of the staff of the amount of time (usually in minutes) required to complete the twelve activity components. These average times were multiplied by workload multipliers that closely approximate the number of students who paid enrollment fees and the number of students for whom enrollment fees were waived. The total hours per activity component was multiplied by either the specific productive hourly rate of the person performing the activity, or an average hourly rate when there were several persons in similar job classifications performing the activity.

The major source of the audited variance (\$397,279) is stated in the audit report to be that the District “did not report the correct number of students related to the various cost components,” and that the District “did not support the numbers it used for the multiplier.” The auditor utilized enrollment waiver statistics from the Chancellor’s Office MIS system, because these numbers are “maintained,” are “more accurate,” and because the numbers “did not vary significantly from the numbers reported on its Web site” that was the source of some of the numbers used by the District. The audit uses the MIS statistics to approximate the number of students who paid enrollment fees and the number of students for whom enrollment fees were waived. The District utilized information available from district records or the Chancellor’s web site at the time the annual claims were prepared so some variances can be expected. Variances would result from the students who enrolled and paid enrollment fees, but thereafter left the district and thus these students may not appear later in the Chancellor’s statistics as an enrolled student. Another source of a variance would be the time spent on unapproved waiver applications. There are more applications for waivers than waivers granted, which is not reflected by the Chancellor’s statistics.

SCO’s Comment

We reduced the adjustment reported in the draft report by \$485, from \$652,764 to \$652,279. We increased allowable FY 2007-08 one-time training costs related to fee collection (decreasing the adjustment by \$3,441). We also corrected the FY 2001-02 enrollment count of students who paid an enrollment fee (increasing the adjustment by \$13,558) and FY 2005-06 and FY 2006-07 denied appeal counts related to fee waivers (reducing the adjustment by \$10,602). The FY 2001-02 adjustment is offset in Finding 2.

Policies and Procedures and Training

The district stated that the SCO disallowed claimed costs of \$116,550 for policies and procedures and staff training because the costs were unsupported. Instead, the costs were determined to be unallowable because the district did not support that the costs only related to one-time activities allowed by the parameters and guidelines.

For policies and procedures costs, we allowed costs in the first year claimed. The district did not provide any documentation supporting that the costs claimed in the remaining years related to the allowable one-time costs of developing rather than updating the procedures.

For staff training, we allowed costs in the first year employees were claimed. The district provided no documentation supporting the training, e.g., the name of the trainer, the nature of the training, agenda. Therefore, the district did not support that costs claimed by an employee in subsequent years related to allowable one-time training.

The parameters and guidelines state that the preparation of policies and procedures and staff training are reimbursable as a one-time activity [emphasis added] for the collection of enrollment fees and for

determining which students are eligible for waiver of the enrollment fees. Further, the parameters and guidelines limit staff training to one-time cost per employee [emphasis added].

The district further asserts that the SCO draft audit report cites the CSM's Final Staff Analysis as support for a premise not stated in the parameters and guidelines. The analysis is not the sole support for the SCO's position, but is relied upon in conjunction with the parameters and guidelines. It clarifies the CSM's position on one-time activities by stating, "updates to the policies and procedures would be subject to change in the community college district's policy rather than state law, and would not be reimbursable."

The district also contends that Education Code section 76300 changed frequently and the subject matter of Title 5, CCR, sections may have been updated. The district did not provide any support that the added training costs related to changes in the law.

Time Allowances for Ongoing Activities

The district notes that SCO audit adjustments of \$397,279 [updated to \$410,837 in this final report] relate to the district reporting the incorrect number of students used to compute reimbursable costs.

The district states that the SCO utilized enrollment waiver statistics from the CCCCCO because they were more accurate and did not vary significantly from the district. This statement is inaccurate. With minor exception, we used the districts' reported waiver statistic as those numbers did not vary significantly from the numbers confirmed from the CCCCCO. The waivers statistics confirmed from the CCCCCO represents data the district reported and is more accurate because it includes unduplicated count of students with BOGG waivers by term for MIS data element SF 21 and all student financial aid data codes with the first letter of B or F. The district's waivers numbers came from datamart data from the CCCCCO's Web site that included unduplicated count of students with BOGG waivers by school year and excludes codes with the first letter of F. Consequently, a student with a BOGG waiver in three terms in a school year would be counted as one BOGG waiver on the CCCCCO's Web site and three BOGG waivers on the numbers confirmed by the CCCCCO. Furthermore, the CCCCCO's Web site would not include any of the data element SF21codes with the first letter of F.

The district states that the SCO relied upon statistics from the CCCCCO to approximate the number of students who paid enrollment fees and the number of students for whom enrollment fees were waived. It further states that the district used statistics from the district. The information from the CCCCCO is based on information the district reported. Further, the CCCCCO's enrollment numbers detail non-resident students and special admit students that are not reimbursable under the mandate. The numbers provided by the district did not agree with the CCCCCO's numbers and were not traceable to the district's records.

**FINDING 2—
Unsupported salaries
and benefits**

The district claimed unsupported salaries and benefits related to ongoing activities of calculating and collecting enrollment fees, activities (1) through (4). The unsupported salaries and benefits for these four activities, after adjusting the errors identified in Finding 1, total \$2,097,258.

From July 1998 through June 2003, students paid registration either over the telephone, assisted by a staff member, or over the counter. In July 2003, the telephone registration process was expanded to include an automated system. In May 2006, the district launched the OnLine Gavilan (OLGA) system, an automated online registration and payment system. The OLGA system allowed students to register via the Internet and pay fees with a credit card. When students used the automated system, district staff did not perform such reimbursable mandated activities as referencing student accounts, calculating and collecting student fees, and updating computer records for the enrollment fee information and providing a copy to the student. The district claimed reimbursement for enrollment fee collections based on all students paying fees and did not identify or exclude those students who enrolled and paid online.

As noted in Finding 1, employees estimated, for each year, the average time it took to perform individual activities per student per year. The surveys were completed in April 2006 for FY 1998-99 through FY 2004-05; in May 2006 for FY 2005-06; in November 2007 for FY 2006-07; and between January 30, 2009, and February 3, 2009, for FY 2007-08. The district's main campus is in Gilroy; however, the district also has campus sites in Hollister and Morgan Hill. The majority of the enrollment fees were collected at Gilroy's main campus. Gilroy's Business Office and Admissions and Records employees completed the April 2006, May 2006, and November 2007 surveys that the district used to claim costs for FY 1998-99 through FY 2006-07. Gilroy's and Morgan Hill's employees completed the January/February 2009 survey that was used to claim costs for FY 2007-08. Hollister employees did not participate in any of the surveys.

The following table shows the number of completed surveys by campuses and offices:

Fiscal Year	Gilroy's Admissions and Records	Gilroy's Business Services	Morgan Hill's Student Services	Total
1998-99	4	1	0	5
1999-2000	4	1	0	5
2000-01	4	1	0	5
2001-02	5	2	0	7
2002-03	5	2	0	7
2003-04	5	2	0	7
2004-05	5	2	0	7
2005-06	5	1	0	6
2006-07	0	2	0	2
2007-08	5	0	2	7

The survey form provided a brief summary of activities (1) through (4) from the description identified in the parameters and guidelines; no further instructions were provided. In addition, the district's mandate consultant indicated that no clarification was provided to employees as to the context of reimbursable activities and no post-survey analysis was performed to verify the reasonableness of the average time recorded in the surveys. The consultant simply added up all of the time increments recorded on the survey forms and divided the total by the number of responses without verifying the time recorded on the survey forms. All responses were given equal weight, even though the Admissions and Records employees, Business Office employees, and Student Services employees did not perform the mandated activities at the same level.

District staff claimed 44.4 minutes for FY 1998-99, 45.4 minutes for both FY 1999-2000 and FY 2000-01, 44.2 minutes for FY 2001-02, 41.4 minutes annually for FY 2002-03 through FY 2005-06, 14.5 minutes for FY 2006-07, and 31.3 minutes for FY 2007-08 per student, per summer session as well as the fall and spring terms, to perform mandated activities (1) through (4). As noted in Finding 1, a description of the reimbursable activities is as follows: (1) referencing student accounts and printing a list of enrolled courses; (2) calculating the fees, processing the payment, and preparing a payment receipt; (3) answering student questions or referring them to the appropriate person for an answer; and (4) updating student records for the enrollment fee information, providing a copy to the student, and copying/filing enrollment fee documentation.

Admissions and Records Office Employees, Gilroy's Main Campus

Seven Student Records Technicians working at Gilroy's Admissions and Records Office completed survey forms at various times for FY 1998-99 through FY 2005-06, and for FY 2007-08, that estimated the time it took to perform activities (1) through (4). We interviewed two of these employees on March 29, 2010. The Administrative Assistant for the Vice President of Administrative Services was present during the interviews. We discussed the reimbursable activities described in the parameters and guidelines and indicated that reimbursable activities exclude costs related to adding and dropping classes, ordering transcripts, time spent paying for a parking permit, and other fee collections. The two Student Records Technicians walked us through the enrollment fee collection process and informed us that it generally took approximately two to three minutes per student, per summer session as well as the fall and spring terms, to perform activities (1) through (4). However, the seven employees estimated the following time on their survey forms to collectively perform activities (1) through (4):

- The two employees interviewed indicated that it took 40 minutes each year from FY 1998-99 through FY 2005-06, and 46 minutes and 57 minutes for FY 2007-08.
- The third employee (currently retired) indicated that it took 40 minutes each year from FY 1998-99 through FY 2005-06, and 23 minutes for FY 2007-08.

- The fourth employee indicated that it took 40 minutes each year from FY 2001-02 through FY 2005-06.
- The fifth employee (currently retired) indicated that it took 80 minutes each year from FY 1998-99 through FY 2002-03.
- The sixth employee indicated that it took 80 minutes each year from FY 2003-04 through FY 2005-06, and 23 minutes for FY 2007-08.
- The seventh employee indicated that it took 40 minutes for FY 2007-08.

The two interviewed employees informed us that they were not aware that the time they recorded on the survey forms should have excluded registration-related activities (e.g., adding and deleting classes, non-mandated fee collection activities, and collection of other fees). One of the interviewed employees informed us that none of the staff at Gilroy's Admissions and Records Office completed a survey form for FY 2006-07 because they did not have time to fill out the survey forms for that year. However, most of the enrollment fees were collected at Gilroy's Admissions and Records Office for FY 2006-07. The minutes recorded on the survey forms by Admissions and Records employees averaged between 48 and 50 minutes for FY 1998-99 through FY 2005-06, and 37.8 minutes for FY 2007-08.

One of the Student Records Technicians interviewed and the Administrative Assistant stated that the time allowances recorded on the survey forms appear to be overstated, as the time allowances included time spent on non-mandated activities. The two interviewed employees agreed to reevaluate the time they claimed for calculating and collecting enrollment fees and let the SCO know the results.

We also physically observed the fee collection process for approximately three hours on January 26, and 27, 2011, during the open enrollment period at the Gilroy campus. The purpose of our observation was to validate the reasonableness of time allowances used by the district in determining reimbursable salaries and benefits. The Administrative Assistant was present during most of our observations. We observed seven students as they paid their fees. We excluded students who were adding and dropping classes and ordering transcripts, as well as time spent paying for a parking permit. Based on our observation, the time per student averaged three and one half minutes. The Administrative Assistant indicated that, based on her observation, staff spent approximately five minutes per student on the enrollment fee collection process, activities (1) through (4). She indicated that, due to automation, the time spent to calculate enrollment fees in the current year was not as time-consuming as the work performed in earlier years. She also indicated that there were minor time variances to consider in the amount of time it took to complete these tasks based on the experience level of the employee performing the work. The district did not provide any further support for the minutes claimed or increased time involved in prior years for the fee collection process.

Based on responses from the district's Admissions and Records employees and our observations of staff performing the mandated activities, the average minutes used in claiming salaries and benefits for its mandated cost claims are significantly overstated. Time claimed averaged 48 to 50 minutes for FY 1998-99 through FY 2005-06 and 37.8 minutes for FY 2007-08 compared to approximately two to three and one half minutes based on our interviews and observations.

Business Office Employees, Gilroy's Main Campus

An Accounting Assistant and an Accountant working at Gilroy's Business Office completed survey forms at various times, from FY 1998-99 through FY 2006-07, that estimated the amount of time spent to collectively perform activities (1) through (4). We interviewed the Accounting Assistant. The Administrative Assistant was also present for this interview. We discussed the reimbursable activities described in the parameters and guidelines and indicated that reimbursable activities exclude costs related to adding and dropping classes, ordering transcripts, time spent paying for a parking permit, and other fee collections. The Accounting Assistant reviewed the time recorded on her survey forms and stated that, to the best of her knowledge, the 12 minutes per student was accurate. The Accounting Assistant indicated that she had not been involved in the enrollment fee collection process since 2007; therefore, she was unable to walk us through the collection process. On the survey forms, she estimated that it took 12 minutes for each year from FY 1998-99 through FY 2005-06 and 17 minutes for FY 2006-07 per student, per summer session as well as the fall and spring terms, to perform activities (1) through (4). She recalls that prior to implementation of the OLGA system (in May 2006), most students would register over the telephone and pay their enrollment fees within ten days at the Business Office. She indicated that subsequent to the implementation of the OLGA, system, students had to pay when they registered via the telephone system. She also informed us that the Business Office did not handle any registration activities, but did handle health fee collections and parking fees. In addition, she informed us that only one employee performed activities (1) through (4) in the Admission and Records Office and that these activities consumed only a portion of that employee's time.

The Accountant estimated on the survey forms that it took 12 minutes each year from FY 2002-03 through FY 2006-07 to collectively perform activities (1) through (4).

As noted previously, only two surveys were completed for FY 2006-07; both of them were from Gilroy's Business Office employees. However, Gilroy's Admissions and Records employees collected most of the enrollment fees for FY 2006-07.

Student Services Employees, Morgan Hill Campus

A Director of Programs Specialist and a Program Specialist in the Student Services Office at the Morgan Hill campus completed a survey form for FY 2007-08 that estimated time it took to collectively perform activities (1) through (4). The Director and Program Specialist survey

forms indicated that it took 15 minutes each per student per summer session as well as the fall and spring terms to collectively perform activities (1) through (4).

Adjustment

We discussed our analysis of time claimed with district representatives and requested their comments. District staff initially concurred with our analysis related to time claimed being overstated and agreed to revise its time allowances. Subsequently, the district's consultant, on behalf of the district, requested that we issue the draft report.

Based on our analysis, we determined that salaries and benefits claimed for activities (1) through (4), using time allowances that averaged 43.1 minutes annually per student for FY 1998-99 through FY 2005-06, 14.5 minutes annually per student for FY 2006-07, and 31.3 minutes per student for FY 2007-08, were unsupported and, therefore, unallowable for the following reasons:

- The district did not explain or support why average time allowances claimed by district staff (43.1 minutes per student for FY 1998-99 through FY 2005-06, 14.5 minutes per student for FY 2006-07, and 31.3 minutes per student for FY 2007-08) were significantly greater than the time allowances based on the results of our inquiries and observations.
- The time allowances recorded by district staff for FY 2006-07 were based on estimated time from two Gilroy's Business Office employees. Gilroy's Admissions and Records Office employees did not complete any survey forms for FY 2006-07. However, the district indicated that most of the FY 2006-07 collections occurred at Gilroy's Admissions and Records Office.
- Based on the minutes recorded by the two employees surveyed at Gilroy's Business Office, the estimated time to perform activities (1) through (4) did not change from FY 1998-99 through FY 2006-07.
- The district had an automated telephone registration process, in operation since 2003, and an automated online registration and payment system, in operation since May 2006, that were used for the payment of enrollment fees without the assistance of district employees. However, the district did not exclude students who paid online when determining reimbursable costs.
- The surveys were not developed with sufficient instructions to clarify reimbursable activities.
- The district did not independently verify the uniform time allowances with physical observation and inquiries to ensure that time allowances applied to students were accurate and reasonable.
- The district did not show that the methodology it used in developing time allowances produced a result that was representative of employees' time spent performing the reimbursable activities.

Government Code section 17561 (d)(2)(B) states that “The Controller may reduce any claim that the Controller determines is excessive or unreasonable.” Based on our analysis, we believe that salaries and benefits claimed using time allowances for activities (1) through (4) were excessive and unreasonable.

The parameters and guidelines (section IV-Reimbursable Activities) state:

. . . actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the time the actual cost was incurred for the activity in question.

The following table summarizes the unsupported ongoing salary and benefit costs related to calculating and collecting enrollment fees for activities (1) through (4):

<u>Fiscal Year</u>	<u>Reference Student Accounts</u>	<u>Calculating Fees</u>	<u>Answering Student Questions</u>	<u>Updating Records</u>	<u>Total</u>
1998-99	\$ (20,176)	\$ (58,793)	\$ (50,036)	\$ (34,584)	\$ (163,589)
1999-2000	(21,838)	(63,398)	(36,687)	(55,939)	(177,862)
2000-01	(29,434)	(88,324)	(49,449)	(77,933)	(245,140)
2001-02	(27,357)	(85,077)	(42,676)	(60,437)	(215,547)
2002-03	(32,512)	(86,700)	(45,517)	(68,726)	(233,455)
2003-04	(30,411)	(77,901)	(42,575)	(61,751)	(212,638)
2004-05	(35,469)	(88,788)	(49,657)	(70,381)	(244,295)
2005-06	(36,357)	(93,743)	(50,899)	(74,309)	(255,308)
2006-07	(31,302)	(42,054)	(22,358)	(17,522)	(113,236)
2007-08	(78,516)	(48,102)	(80,969)	(28,601)	(236,188)
Total	<u>\$ (343,372)</u>	<u>\$ (732,880)</u>	<u>\$ (470,823)</u>	<u>\$ (550,183)</u>	<u>\$ (2,097,258)</u>

Recommendation

We recommend that the district:

- Maintain records that document actual time spent on mandate-related activities;
- Ensure the validity of any time studies used in determining reimbursable cost;
- Maintain documentation that identifies the number of students subject to reimbursements pursuant to Education Code section 76300; and
- Adjust for students that pay their enrollment fee through an automated system (rather than in person) when calculating enrollment fee collection costs.

We further recommend that any surveys used in developing uniform time allowances are:

- Developed with sufficient instructions to clarify reimbursable activities;
- Independently verified with physical observation and inquiries to ensure that time allowances applied to students are accurate and reasonable; and
- Projected in a manner to produce a result that is representative of employees performing the reimbursable activities.

District's Response

The draft audit report eliminates \$2,110,816 of the staff time reported from the time survey of ongoing activities for enrollment fee collection, after the adjustments made in Finding 1 regarding workload multipliers.

The draft audit report refers to the automated telephone registration process beginning in FY 2003-04 and the OLGA system beginning May 2006 which reduced staff participation in the collection of the enrollment fee compared to the over-the-counter method that prevailed during the first five fiscal years that are the subject of the audit. The draft audit report concludes that the students should have been excluded from the claim. While the staff labor involved in the automated systems is different and probably less, it is not a basis for excluding these enrollments from reimbursement based on the survey. While District staff could give an informed opinion on the number of students utilizing the automated systems, and the auditor solicited these opinions on several occasions, the District did not maintain this information in the usual course of business and it is not required by the parameters and guidelines. Further, I am told that for a claimant to make cost assumptions based on staff opinions has been unacceptable on previous Controller audits on other programs, so it was not ventured here on this subject matter by the District and so stated in its e-mail to the auditor on April 1, 2010.

However, the subsequent establishment of automated systems is not a basis for disallowing costs for the first five years audited. Notwithstanding, the audit report disallows the remaining enrollment process costs for all fiscal years based on an anecdotal evidence obtained after the exit conference. The draft audit report cites interviews with two Student Records Technicians at the Gilroy campus on March 29, 2010, who appears to have stated at the interview that they must have misinterpreted the scope of activities included in the survey tool when they originally submitted their response. The auditor observed the enrollment process for three hours at Gilroy on January 26, and 27, 2011, observing the fee collection process for seven students, excluding students that were adding or dropping courses, and concluded that the reimbursable activities averaged three and one-half minutes. The auditor also interviewed an Accounting Assistant and Accountant at the Gilroy business office who described the pre- and post automated procedures, as well as Program Specialists at the Morgan Hill campus who provided new responses to the survey at the auditor's request. Based on these interviews and new responses, the auditor concluded that the original survey results overstated the reimbursable activity time. If a claimant were to base their annual claims on similar directed

interviews of a few staff and observation of seven transactions out of more than 10,000 such transactions per year, the information obtained would not be considered by the Controller as representative. It is not.

The draft audit report states the following reasons for rejecting the original District survey findings:

1. *The District did not explain or support why the average time allowances reported in the surveys were significantly greater than the results of the auditor's interviews and observations.* The District response was stated in the April 1, 2010, e-mail and discussed at the exit conference. The survey forms used for the annual claims were distributed to all staff involved in the process who responded based on their understanding of the language used in the survey forms which is almost directly copied from the parameters and guidelines. The District did not participate in the interviews conducted by the auditor, so it does not know what language was used to elicit or clarify the responses obtained there, nor why these responses are specifically different.
2. *Gilroy Business Office staff did not complete survey forms for FY 2006-07.* The annual claims utilized previous information from similar job classifications across the district since the annual claim is based on district costs, not specific college costs.
3. *The estimated time reported did not change from FY 1998-99 through FY 2006-07.* At the time of the filing of the initial claims, July 2006, staff reported the average time for a regular enrollment fee collection transaction dating back to FY 1998-99. No changes were made later for the automated system transactions since the staff generally responding (e.g., Student Records Technicians) were not performing that function.
4. *The District did not exclude from the enrollment multipliers students who paid on line.* As stated before, those transactions are also reimbursable. The survey, by its nature as a survey, estimated the average time of routine transactions and did not address this issue. There are no multipliers or survey results for these automated transactions. The purpose of surveys of this type is to provide approximate results for nearly uniform repetitive activities, and do not accommodate exceptional transactions.
5. *The surveys were not developed with sufficient instructions to clarify the reimbursable activities.* SixTen and Associates stated at the exit conference that these forms use the language of the parameters and guidelines based on previous Controller audit experience where auditors have considered that modifying parameters and guidelines language, as well as verbally "explaining" the language, is directing a response, as the auditor may have experienced during his interviews. The audit report suggests the need for more specific activity descriptions and second-person observation of the time for each activity. There is a concern that more specific activity descriptions may stray from the scope of the parameters and guidelines language. This presents the potential problem of claiming activities outside of the scope of the parameters and guidelines, especially when each district that utilizes a survey process will have to establish its own activity descriptions, absent a statewide survey instrument. Further, the Controller has no standards for time surveys of this nature to assist the claimants in filtering the meaning of the parameters and guidelines.

6. *The District did not independently verify the uniform time allowances with physical observation and inquiries to assure the responses were accurate and reasonable.* As stated before, survey results are not intended to be accurate, but rather representative. There is no retroactive observation possible. Surveys of these types are based on the collective independent evaluation by persons who do not actually perform the work. The auditor's perception of unreasonable results is based on a few interviews and one short observation conducted by the auditor, none of which are relevant to the survey *method* used, but only the survey results. Is the auditor's work "independent" verification? It is clear that the verification process conducted by the auditor was neither sufficient in scope or supported by a written survey instrument or method that can be properly evaluated by a third party.
7. *The District did not show the survey results were representative of the employee time spent performing the reimbursable activities.* This is the ultimate bias that pervades the entire audit process. The survey was not designed to accomplish the findings desired by the Controller. The survey is representative of the activities stated in the parameters and guidelines in that the persons performing the tasks responded to their understanding of the questions posed by the parameters and guidelines language. Understanding the language of the parameters and guidelines, plain meaning or otherwise, is a challenge for anyone who prepares annual claims for any mandate program. It is not a unique issue here. The auditor's interview findings and the de minimus observation period are just another interpretation.

The draft audit report concludes that the survey results are unreasonable and excessive. The Controller has not provided the claimants with any professional standards for these types of surveys that attempt to represent costs incurred for numerous retroactive years, even though the Commission has been issuing retroactive parameters and guidelines for 27 years. In this audit, the auditor has not provided any empirical findings that contradict the responses of most of the staff who performed the reimbursable activities. However, the District understands that it will be up to the Commission to determine if the auditor's findings are sufficient to sustain the adjustments made.

SCO's Comment

We reduced the adjustment reported in the draft report by \$13,558, from \$2,110,816 to \$2,097,258, related to a correction of the FY 2001-02 enrollment count of students paying an enrollment fee, as noted in our comment to Finding 1.

The district states that the draft audit report adjustments reduced personnel costs because the district did not identify the number of students who enrolled through automated systems. The district also states that the staff labor involved in the automated systems is different and probably less than the labor involved in over-the-counter enrollment processes. However, the district did not provide documentation supporting the number of automated enrollments versus manual enrollments or the significance of students paying online. Further, the automation issue is not the sole reason for the audit adjustment.

The district believes that the information collected by the SCO through interviews and observations is inadequate. However, the results of the SCO's observations correlated to the results of the SCO's interviews. The district's survey forms paraphrased the parameters and guidelines and contained no further explanation for district staff to consider. Also, the district gave equal weight to all staff responses, although staff performed activities at varying levels. The interviews and observations provide additional indications of work performed by district staff relative to the mandate.

In items 1 through 7 of its response, the district makes various points:

1. The district states that it did not participate in the SCO interviews, does not know what language was used to elicit responses, and does not know why the responses were different than responses on the survey forms. Actually, the district did participate in the interviews and observations, through the Assistant to the Vice President of Administrative Services, who was present at the interviews.
2. With reference to our comment that Gilroy Business Office staff did not complete survey forms for FY 2006-07, the district states that the annual claims utilized previous information from similar job classifications across the district because the annual claims are based on district costs, not specific college costs. However, as noted previously, the estimated time allowances varied significantly by campus sites and classification. Further, during the audit, the district indicated that most of the FY 2006-07 collections occurred at Gilroy's Admissions and Records Office; nevertheless, the survey only included responses from two employees who both worked in Gilroy's Business Office.
3. With reference to our comment that the estimated time reported by Gilroy's Business Office did not change from FY 1998-99 through FY 2006-07, the district explains that staff reported average time for a regular enrollment fee collection transaction. However, the estimated annual time allowances by campus sites varied significantly. Further, during the audit period, the district automated its system, which should have reduced the time to process enrollment fee collection activities.
4. The district stated that it did not exclude from the enrollment multipliers students who paid online as those transactions are reimbursable. It further stated that the survey estimates the average time of routine transactions and, therefore, did not address this issue. The district's response supports the SCO's position that the district did not track staff time related to online transactions. Applying time allowances to automated transactions overstates reimbursable costs as the district would not have incurred the same level of efforts to process those transactions. The district did not provide documentation supporting time spent on automated transactions.

5. The district disagrees that its surveys were not developed with sufficient instructions to clarify the reimbursable activities. The district is concerned that more specific activity descriptions in the survey forms could stray from the scope of the parameters and guidelines language. However, during the audit process we discovered that staff misunderstood the reimbursable components of the parameters and guidelines. For example, staff members were not aware that the time they recorded on the survey forms should have excluded registration-related activities such as adding and deleting classes. Consequently, the time reported by staff on the survey forms was overstated.
6. The district states that its survey results are not intended to be accurate, but rather representative of reimbursable time spent on the mandate. Therefore, it did not independently verify the uniform time allowances with physical observations and inquiries. During the audit, the SCO's observations and interviews, in conjunction with the district's surveys, provided a more complete picture of actual costs than the surveys alone.
7. The district reiterates that its survey results are meant to be representative of the activities stated in the parameters and guidelines. The SCO's position is that additional information obtained during the course of the audit did not support the results of the district's surveys.

**FINDING 3—
Unallowable contract
services**

The district claimed \$91,273 in contract services through Sungard to provide district training on its new automated Banner System for FY 2007-08. Of that amount, \$73,011 is unallowable.

Invoices provided by the district for claimed training costs did not relate entirely to procedures for the collecting of enrollment fees and for determining which students are eligible for waiver of the enrollment fees allowed by the mandate. We reviewed the individual invoices and made an allocation of eligible costs based on information the district provided and discussion with district staff. We asked the district to review and comment on our allocation. However, the district did not respond.

The parameters and guidelines for the program state that only actual costs may be claimed. Actual costs are those costs incurred to implement the mandated activities.

The parameters and guidelines further state that if training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed.

The following table summarizes unallowable contract services related to training:

	<u>Training</u>
Audit adjustment, FY 2007-08	<u>\$ (73,011)</u>

Recommendation

We recommend that the district claim only those training activities that are actually incurred to implement the mandate.

District's Response

The draft audit report disallows \$73,011 of a total \$91,273 in contract payments to Sungard to provide training on the new Banner system beginning FY 2007-08 as the pro-rata portion not relevant to the implementation of this mandate. The District has no additional documentation for this issue at this time.

SCO's Comment

The finding and recommendation remain unchanged.

The district states that it has no additional documentation to support the claimed costs.

The SCO used district-provided invoices from Sungard to determine the allowable costs. The invoices described various training activities provided by Sungard. Some of these activities related to reimbursable components of the mandate, while others did not. We identified various training components that did appear to be relevant to the mandate and discussed this information with district staff. As noted above, the district did not respond to this adjustment during the audit

**FINDING 4—
Overstated indirect costs**

The district claimed \$1,002,702 in unallowable indirect costs for the audit period. In each year under audit, the district overstated its indirect cost rate.

The district prepared its Indirect Cost Rate Proposal (ICRP) using the State Controller’s Office (SCO) FAM-29C methodology. However, the district did not correctly compute the FAM-29C rates. We recalculated allowable indirect cost rates based on the FAM-29C methodology that the parameters and guidelines and the SCO claiming instructions allow.

We calculated the allowable indirect cost rates each year by using the information contained in the California Community Colleges Annual Financial and Budget Report Expenditures by Activity (CCFS-311). Our calculations revealed that the district overstated its rates for the entire audit period.

The following table summarizes the overstated indirect cost rates:

Fiscal Year	Allowable Indirect Cost Rate	Claimed Indirect Cost Rate	Overstated Rate
1998-99	18.52%	35.68%	(17.16)%
1999-2000	14.10%	34.23%	(20.13)%
2000-01	15.62%	36.55%	(20.93)%
2001-02	16.34%	35.86%	(19.52)%
2002-03	14.50%	32.88%	(18.38)%
2003-04	14.75%	36.29%	(21.54)%
2004-05	31.63%	33.96%	(2.33)%
2005-06	33.66%	36.92%	(3.26)%
2006-07	33.67%	36.45%	(2.78)%
2007-08	35.09%	39.55%	(4.46)%

The following table summarizes the unallowable indirect costs:

Fiscal Year	Allowable Direct Costs	Allowable Indirect Cost Rate	Allowable Indirect Costs	Claimed Indirect Costs	Audit Adjustment
1998-99	\$ 8,503	18.52%	\$ 1,575	\$ (76,483)	\$ (74,908)
1999-2000	11,880	14.10%	1,675	(85,778)	(84,103)
2000-01	12,445	15.62%	1,944	(120,380)	(118,436)
2001-02	14,379	16.34%	2,350	(112,394)	(110,044)
2002-03	21,644	14.50%	3,138	(109,289)	(106,151)
2003-04	22,891	14.75%	3,376	(118,822)	(115,446)
2004-05	19,516	31.63%	6,173	(117,332)	(111,159)
2005-06	21,458	33.66%	7,223	(131,795)	(124,572)
2006-07	67,546	33.67%	22,743	(71,138)	(48,395)
2007-08	109,817	35.09%	38,535	(148,023)	(109,488)
Total	<u>\$ 310,079</u>		<u>\$ 88,732</u>	<u>\$ (1,091,434)</u>	<u>\$ (1,002,702)</u>

The parameters and guidelines state:

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, Cost Principles of Educational Institutions; (2) the rate calculated on State Controller’s Form FAM-29C; or (3) a 7% indirect cost rate.

The district did not have a federally approved rate for the audit period.

Recommendation

We recommend that the district claim indirect costs based on an indirect cost rate computed in accordance with the SCO's claiming instructions.

District's Response

The draft audit report concludes that the District overstated indirect costs by \$1,007,480 because the District "did not correctly compute the FAM-29C rates." The audit report states that the rates were recalculated based on the FAM-29C methodology allowed by the parameters and guidelines and the Controller's claiming instructions. The audit report does not state that the District's calculations are unreasonable, just that they aren't exactly the same as the Controller's calculations using the same method. There are no regulations or pertinent generally accepted methods for the calculation, so it is a matter of professional judgment. The Controller's claiming instructions are unenforceable because they have not been adopted as regulations under the Administrative Procedure Act, so the only definitive source is the parameters and guidelines.

The parameters and guidelines provide a definition of indirect costs, including: "(b) the cost of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs." Both the District's annual claims and the auditor used the CCFS-311 as the source document for the calculation using the FAM-29C method designed by the Controller. The CCFS-311 is the state-mandated report for community colleges. The minor differences (2.33% to 4.46%) between the claimed amounts and audit results, beginning FY 2004-05, derived from the choice of how some of the costs are categorized as either direct or indirect for purposes of the calculation. These minor differences are within the realm of a reasonable interpretation of the nature (either direct or indirect) of the costs reported for each CCFS-311 account and the audit findings have not indicated otherwise.

The large differences (17.16% to 21.54%) prior to FY 2004-05, are the result of the District including capital costs and the Controller excluding capital costs from the calculation. The annual claims used the "capital costs" reported in the CCFS-311 until FY 2006-07, and thereafter used annual CPA-audited financial statement depreciation expense in lieu of capital costs. The audit excluded the capital costs every year until FY 2004-05 when depreciation was included by change in Controller policy. The Controller has not stated a legal or factual reason to previously exclude or now include capital or depreciation costs. The burden of proof is on the Controller staff to prove that the product of the District's calculation is unreasonable, not to recalculate the rate according to their unenforceable policy preferences. However, I am told that this is a statewide audit issue included in dozens of other incorrect reduction claims already filed that will have to be resolved by decision of the Commission on State Mandates.

SCO's Comment

We reduced the adjustment reported in the draft report by \$4,778, from \$1,007,480 to \$1,002,702, based on the changes to Findings 1 and 2.

As noted in the finding, the district prepared its Indirect Cost Rate Proposal using the SCO FAM-29C methodology. However, we noted errors in the district's calculations. We recalculated the indirect rates in accordance with FAM-29C instructions contained in the SCO's Community College Mandated Cost Manual.

The district states that there are no generally accepted methods for the indirect cost calculation and that SCO claiming instructions are unenforceable. The district also states that the SCO auditors improperly excluded capital costs from the indirect cost calculations prior to FY 2004-05 and improperly included them subsequent to FY 2004-05. We disagree. As the district did not have a federally approved rate and did not claim a 7% rate, it used the FAM-29C method. In using the FAM-29C method, the district is required to follow the FAM-29C instructions with regard to the treatment of capital costs.

**FINDING 5—
Overstated savings/
reimbursements**

The district overstated offsetting savings/reimbursements by \$58,318 (understated enrollment fee collection by \$74,854 and overstated enrollment fee waivers by \$16,536 for the audit period). The overstated occurred because (1) the district did not accurately report the amount received for enrollment fee collection and the amount waived for enrollment fee waivers and (2) revenues received exceeded allowable costs.

We calculated allowable offsetting savings/reimbursements for all years under audit using instructions contained in the parameters and guidelines. Our calculations were based on enrollment fee collection and BOG fee waivers information provided by the CCCCCO. In addition, we limited offsetting savings/reimbursements by actual allowable costs incurred separately for enrollment fee collection and enrollment fee waivers costs.

The following table summarizes the understated enrollment fee collection portion of offsetting savings/reimbursements:

Fiscal Year	Allowable Costs	Enrollment Fee Collection			Audit Adjustment
		Actual Revenues	Claimed	Allowable	
1998-99	\$ 10,078	\$ 11,138	\$ 5,803	\$ 10,078	\$ (4,275)
1999-2000	591	11,114	5,448	591	4,857
2000-01	718	11,588	5,194	718	4,476
2001-02	920	11,750	5,036	920	4,116
2002-03	1,594	12,247	4,604	1,594	3,010
2003-04	2,105	17,645	13,194	2,105	11,089
2004-05	4,163	25,344	19,536	4,163	15,373
2005-06	3,037	25,513	18,570	3,037	15,533
2006-07	438	24,678	24,561	438	24,123
2007-08	49,909	22,186	18,738	22,186	(26,523)
Total	\$ 73,553	\$ 173,203	\$ 120,684	\$ 45,830	\$ 74,854

The following table summarizes the understated enrollment fee waivers portion of offsetting savings/reimbursements:

Fiscal Year	Allowable Costs	Enrollment Fee Waivers			Audit Adjustment
		Actual Revenues	Claimed	Allowable	
1998-99	\$ —	\$ —	\$ —	\$ —	\$ —
1999-2000	12,964	33,736	11,361	12,964	(1,603)
2000-01	13,671	30,653	12,001	13,671	(1,670)
2001-02	15,809	28,065	13,766	15,809	(2,043)
2002-03	23,188	32,363	20,492	23,188	(2,696)
2003-04	24,162	43,868	21,318	24,162	(2,844)
2004-05	21,526	61,554	16,457	21,526	(5,069)
2005-06	25,644	56,322	19,472	25,644	(6,172)
2006-07	89,851	65,170	69,473	65,170	4,303
2007-08	98,443	60,559	61,817	60,559	1,258
Total	\$ 325,258	\$ 412,290	\$ 246,157	\$ 262,693	\$ (16,536)

The parameters and guidelines for the program require claimants to report the following offsetting savings/reimbursements:

- Enrollment Fee Collection Program funds: 2% of the revenue from enrollment fees pursuant to Education Code section 76000, subdivision (c); and
- Enrollment Fee Waiver Program funds: Allocation to community colleges by the Community College Board of Governors from funds in the annual budget act pursuant to Government Code section 76300, subdivisions (g) and (h) as follows:
 - For July 1, 1999, to July 4, 2000, 2% of the fees waived and 7% of the fees waivers.
 - Beginning July 5, 2000, 2% of the fees waived and \$0.91 per credit unit waived.

Furthermore, the parameters and guidelines state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

Recommendation

We recommend that the district report all enrollment fee collection and waivers offsetting reimbursements on its mandated cost claims.

District's Response

The draft audit report states that the District understated offsetting savings and reimbursements by \$218,652. The major source of difference for most of the fiscal years in the reported and audited amount results from the District's use of the P-2 apportionment information rather than the calculation using the percentages or per-unit amounts.

The offsetting revenues identified in the parameters and guidelines (Part VII) are of three types: the enrollment fee collection 2% administrative offset for all fiscal years, the enrollment fee waiver 2% BFAP allocation beginning FY 2000-01, and the \$.91 per unit waived BFAP-SFAA allocation beginning FY 2000-01 (7% for FY 1999-00). The "Offsetting Revenue" schedule provided to the District on December 16, 2010, states that it is based on information obtained by the auditor from the Chancellor's Office for the District for each of the three types of revenue sources. However, this type of third-party information was, and may not be, generally available at the time the annual claims are prepared. The District and other claimants, at the time the annual claims area prepared, must calculate the amounts based on contemporaneous enrollment information and the number of units waived, which would be a continuing source of minor differences.

The District concurs with the auditor's recommendation that claimants should report the revenue sources identified in the parameters and guidelines as an offset to the program costs. However, the revenue offsets should only be offset to the *relevant* mandated activity costs, rather than to the total (combined enrollment fee collection and enrollment fee waiver) program cost. The following schedule compares the audited allowed costs to the audited revenue offset amounts.

Audited Total Program Costs and Related State Revenues

<u>Fiscal Year</u>	<u>Audited Costs</u>	<u>Audited Offsetting Revenues Applied</u>		
		<u>EFC</u>	<u>EFW</u>	<u>Totals</u>
1998-99	\$10,078	\$11,138	\$0	\$11,138
1999-00	\$13,555	\$11,114	\$33,736	\$44,850
2000-01	\$14,389	\$11,588	\$30,653	\$42,241
2001-02	\$16,729	\$11,750	\$28,065	\$39,815
2002-03	\$24,782	\$12,247	\$32,363	\$44,610
2003-04	\$26,267	\$17,645	\$43,868	\$61,513
2004-05	\$25,689	\$25,344	\$61,554	\$86,898
2005-06	\$28,174	\$25,513	\$56,322	\$81,835
2006-07	\$76,624	\$24,678	\$65,170	\$89,848
2007-08	<u>\$144,911</u>	<u>\$22,186</u>	<u>\$60,559</u>	<u>\$82,745</u>
Totals	\$381,198*	\$173,203	\$412,290	\$585,493

*The audit report (p.7) states this total as \$379,990

The revenue sources are for specific purposes. The EFC 2% offset does not apply to EFW program costs. The EFW 2% and \$.91 per waived unit do not apply to EFC programs costs.

The audited report does not make the distinction and in effect applies the revenues indiscriminately to all allowed costs because these costs are combined amounts. In addition, the revenues are being applied to types of activities unrelated to the purpose of the revenues. For example, in FY 2007-08 the audit allows \$18,262 (\$91,273 - \$73,011) in contract payments for training programs. The training costs are within scope of the reimbursable activities but are not a stated purpose for either the EFC or EFW funding. The District requests that the revenue offsets be properly matched and limited to the relevant reimbursable program activities as a matter of the proper matching of program revenues to program costs.

SCO's Comment

We concur with the district's comment that enrollment fee collection and waivers revenues should only be offset against the related collection and waivers costs rather than total annual program costs. Consequently, we reduced offsetting savings/reimbursements for the audit period by \$276,970. The enrollment fee collection portion changed by \$127,373 (from \$173,202 to \$45,830) and the enrollment fee waivers portion changed by \$149,597 (from \$412,290 to \$262,693).

OTHER ISSUES

The district's response included other comments related to fraud risk assessment and management representation letter; the district also made a public records request. The district responses and SCO's comments are presented below.

**Fraud Risk
Assessment**District's Response

The draft audit report (page 2) states that the auditor was "unable to assess the fraud risk because the district, based on its consultant's advice, did not respond to our inquiries regarding fraud assessment." The District determined that providing written responses to the Controller's boilerplate fraud assessment questionnaire is outside of the scope of a mandated cost audit and could be construed as a waiver of future appeal rights. The District did respond verbally to these questions. The District objects to the Controller's policy or presumption that its written questionnaire, as presently constituted, is the only method of assessing fraud risk in district financial operations and the presumption that such a global assessment is somehow relevant to a mandate cost accounting audit. Mandated cost audits are not program compliance or annual financial statement audits.

SCO's Comment

The district's mandate consultant advised us at the entrance conference that the district would not respond to the fraud section of the internal control questionnaire. Consequently, we did not ask the district verbal fraud risk assessment questions. We attempted to assess fraud risk to comply with generally accepted government auditing standards.

**Management
Representation
Letter**District's Response

The District will not be providing the requested management representation letter since it could be construed as a waiver of future appeal rights.

SCO's Comment

We asked the district's representative to submit a written representation letter regarding the district's accounting procedures, financial records, and mandated cost claiming procedures as recommended by generally accepted government auditing standards. Responding to the SCO's management representation letter request does not waive the district's future appeal rights.

**Public Records
Request**

District's Response

The District requests that the Controller provide the District any and all written instructions, memoranda, or other writings in effect and applicable during the claiming periods to the findings.

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

SCO's Comment

The SCO will respond to the public records request in a separate letter by April 22, 2011.

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

March 24, 2011

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

Re: Enrollment Fee Collection and Waivers
FY 1998-99 through 2007-08
Gavilan Community College District

Dear Mr. Spano:

This letter is the response of the Gavilan Community College District to the draft audit report dated March 11, 2011, received by e-mail on March 18, 2011, for the above referenced program and fiscal years transmitted by the letter from Jeffrey V. Brownfield, Chief, Division of Audits, State Controller's Office.

There will be an incorrect reduction claim. The magnitude and arbitrariness of some the findings require it. The incorrect reduction claim will respond more fully to the new findings of the draft audit report (released last week, fifteen months after the exit conference and one month before the final audit report must be released due to the expiration of the two-year period allowed for completing an audit) as well as the final audit report.

In several places the audit report asserts that the District did not respond to interim or preliminary findings. After the exit conference of December 10, 2009, the auditor solicited and obtained current period or post-facto representations from staff regarding the scope of the program duties and other program costs. After several instances of these contacts by the auditor, I determined that this process had to be organized and conducted in a manner that would focus these activities and end the circuitous questioning of District program staff. I had Keith Petersen, SixTen and Associates, notify you by e-mail on April 1, 2010, that further contact on the audit should be directed to him, a request that was not honored. In that e-mail, Mr. Petersen addressed several of the issues which the audit report states were not responded to by the District. Ultimately, Mr. Petersen requested that you proceed and issue the draft audit report. That request was made months ago when the concept of *draft* findings would have had some utility to the process, which it does not at this late date.



Board of Trustees: Tom Breen
Walt Gilnes

Kent Child
Tony Ruiz
Aaron Keller, Student Trustee

Mark Dover
Laura A. Perry, Esq.

Mike Davenport

Finding 1 - Overstated salaries and benefits

The draft audit report states that the District claimed unallowable salaries and benefits in the amount of \$652,764. This amount consists of \$119,991 of "unsupported costs" and \$532,773 for "errors applying time allowances."

1. Policies and Procedures and Training

A total of \$116,550 was disallowed for staff time claimed for policies and procedures and staff training. The draft audit report disallowed most of the staff time reported for four reasons, all of which are characterized there as "unsupported costs." None of the staff time was disallowed as unreasonable.

The draft audit report states variously that the District did not provide "support" for claimed costs, or provided "no documentation." The general audit standard applied was contemporaneous documentation of time spent or corroborating evidence of activities performed. It should be remembered that the parameters and guidelines were adopted January 26, 2006, and the first claiming instructions for the initial fiscal years were released thereafter. Claimants had no actual notice of approved reimbursement for this program until that time. It seems unreasonable to require contemporaneous documentation of daily staff time for the retroactive initial fiscal years. While some historic staff time can be reconstructed from calendars and desk diaries, other staff time cannot and must be reported as a good-faith estimate where the desired information is not maintained in the regular course of business. While the District agrees with the audit report recommendation that claimants maintain records that document actual time spent on mandate-related activities, it would be a more realistic standard only for fiscal years several years after the period of the initial fiscal year claims.

Where the documentation was apparently sufficient, the auditor made qualitative judgments regarding the scope of activities as to whether they were related to the mandate program, for example, as in the Banner mock registration process. The District does not agree that those sessions and other training events are qualitatively divisible as determined by the auditor. Since this is a basic difference of opinion, it has to be resolved by the incorrect reduction claim process.

The audit report essentially disallows staff time for policies and procedures after the first instances of reported costs for these activities in FY 1998-99 and FY 1999-00 as a duplication of one-time costs. The audit report cites the Commission Final Staff Analysis for the parameters and guidelines for the premise, not stated in the parameters and guidelines, that updates to policies and procedures result from changes in local policy. This is a factual assumption not supported by the audit findings, and seemingly contrary to the thirteen changes in state law listed in the audit report. The audit report makes no findings on the content of the changes made to policies and procedures to support this adjustment.

The draft audit report disallows claimed training time for employees who were claimed more than once during the ten fiscal years in the audit period. The parameters and guidelines identify the staff training activities as "one-time per employee." However, it should be considered that the content of the training would change over the span of years, thus new content would be a new one-time activity for repeat staff members. The language of Education Code Section 76300 changed frequently and the subject matter of the relevant Title 5, CCR, sections may have been updated by the Board of Governors. There are also local changes in duties and

procedures as a result of the change in the enrollment and registration process; for example, the evolving telephone and OLGA system noted in the audit report. It should also be anticipated that the name of the supervisors or managers conducting the training would appear in the claims for several years. There should be no blanket disallowance of staff time for persons whose name appears more than once without a determination of whether the subject matter of the training was duplicate of previously claimed training activities.

2. Time Allowances for Ongoing Activities

The draft audit report identifies "errors when applying time allowances" of \$530,768 in overstated ongoing enrollment fee collection activities and understated costs of \$2,005 for ongoing enrollment fee waiver activities. The District's computation of ongoing program costs is based on the average time reported from the several surveys of relevant program staff of the amount of time (usually in minutes) required to complete the twelve activity components. These average times were multiplied by workload multipliers that closely approximate the number of students who paid enrollment fees and the number of students for whom enrollment fees were waived. The total hours per activity component was multiplied by either the specific productive hourly rate of the person performing the activity, or an average hourly rate when there were several persons in similar job classifications performing the activity.

The major source of the audited variance (\$397,279) is stated in the audit report to be that the District "did not report the correct number of students related to the various cost components," and that the District "did not support the numbers it used for the multiplier." The auditor utilized enrollment waiver statistics from the Chancellor's Office MIS system, because these numbers are "maintained," are "more accurate," and because the numbers "did not vary significantly from the numbers reported on its Web site" that was the source of some of the numbers used by the District. The audit uses the MIS statistics to approximate the number of students who paid enrollment fees and the number of students for whom enrollment fees were waived. The District utilized information available from district records or the Chancellor's web site at the time the annual claims were prepared so some variances can be expected. Variances would result from the students who enrolled and paid enrollment fees, but thereafter left the district and thus these students may not appear later in the Chancellor's statistics as an enrolled student. Another source of a variance would be the time spent on unapproved waiver applications. There are more applications for waivers than waivers granted, which is not reflected by the Chancellor's statistics.

The District has no additional information at this time regarding its contemporaneous sources for the statistics used in the annual claims. The District will also await further documentation from the Controller during the incorrect reduction claim process that validates the auditor's conclusion that the Chancellor's enrollment statistics are more accurate or relevant as program activity multipliers.

Finding 2 - Unsupported Salaries and Benefits

The draft audit report eliminates \$2,110,816 of the staff time reported from the time survey of ongoing activities for enrollment fee collection, after the adjustments made in Finding 1 regarding workload multipliers.

The draft audit report refers to the automated telephone registration process beginning in FY 2003-04 and the OLGA system beginning May 2006 which reduced staff participation in the

collection of the enrollment fee compared to the over-the-counter method that prevailed during the first five fiscal years that are the subject of the audit. The draft audit report concludes that the students should have been excluded from the claim. While the staff labor involved in the automated systems is different and probably less, it is not a basis for excluding these enrollments from reimbursement based on the survey. While District staff could give an informed opinion on the number of students utilizing the automated systems, and the auditor solicited these opinions on several occasions, the District did not maintain this information in the usual course of business and it is not required by the parameters and guidelines. Further, I am told that for a claimant to make cost assumptions based on staff opinions has been unacceptable on previous Controller audits on other programs, so it was not ventured here on this subject matter by the District and so stated in its e-mail to the auditor on April 1, 2010.

However, the subsequent establishment of automated systems is not a basis for disallowing costs for the first five years audited. Notwithstanding, the audit report disallows the remaining enrollment process costs for *all* fiscal years based on anecdotal evidence obtained after the exit conference. The draft audit report cites interviews with two Student Records Technicians at the Gilroy campus on March 29, 2010, who appear to have stated at the interview that they must have misinterpreted the scope of activities included in the survey tool when they originally submitted their response. The auditor observed the enrollment process for three hours at Gilroy on January 26, and 27, 2011, observing the fee collection process for seven students, excluding students that were adding or dropping courses, and concluded that the reimbursable activities averaged three and one-half minutes. The auditor also interviewed an Accounting Assistant and Accountant at the Gilroy business office who described the pre- and post automated procedures, as well as Program Specialists at the Morgan Hill campus who provided new responses to the survey at the auditor's request. Based on these interviews and new responses, the auditor concluded that the original survey results overstated the reimbursable activity time. If a claimant were to base their annual claims on similar directed interviews of a few staff and observation of seven transactions out of more than 10,000 such transactions per year, the information obtained would not be considered by the Controller as representative. It is not.

The draft audit report states the following reasons for rejecting the original District survey findings:

1. *The District did not explain or support why the average time allowances reported in the surveys were significantly greater than the results of the auditor's interviews and observations.* This District response was stated in the April 1, 2010, e-mail and discussed at the exit conference. The survey forms used for the annual claims were distributed to all staff involved in the process who responded based on their understanding of the language used in the survey forms which is almost directly copied from the parameters and guidelines. The District did not participate in the interviews conducted by the auditor, so it does not know what language was used to elicit or clarify the responses obtained there, nor why these responses are specifically different.
2. *Gilroy Business Office staff did not complete survey forms for FY 2006-07.* The annual claims utilized previous information from similar job classifications across the district since the annual claim is based on district costs, not specific college costs.
3. *The estimated time reported did not change from FY 1998-99 through FY 2006-07.* At the time of filing the initial claims, July 2006, staff reported the average time for a regular

enrollment fee collection transaction dating back to FY 1998-99. No changes were made later for the automated system transactions since the staff generally responding (e.g., Student Records Technicians) were not performing that function.

4. *The District did not exclude from the enrollment multipliers students who paid on line.* As stated before, those transactions are also reimbursable. The survey, by its nature as a survey, estimated the average time of routine transactions and did not address this issue. There are no multipliers or survey results for these automated transactions. The purpose of surveys of this type is to provide approximate results for nearly uniform repetitive activities, and do not accommodate exceptional transactions.
5. *The surveys were not developed with sufficient instructions to clarify the reimbursable activities.* SixTen and Associates stated at the exit conference that these forms use the language of the parameters and guidelines based on previous Controller audit experience where auditors have considered that modifying parameters and guidelines language, as well as verbally "explaining" the language, is directing a response, as the auditor may have experienced during his interviews. The audit report suggests the need for more specific activity descriptions and second-person observation of the time for each activity. There is a concern that more specific activity descriptions may stray from the scope of the parameters and guidelines language. This presents the potential problem of claiming activities outside of the scope of the parameters and guidelines, especially when each district that utilizes a survey process will have to establish its own activity descriptions, absent a statewide survey instrument. Further, the Controller has no standards for time surveys of this nature to assist the claimants in filtering the meaning of the parameters and guidelines language.
6. *The District did not independently verify the uniform time allowances with physical observation and inquiries to assure the responses were accurate and reasonable.* As stated before, survey results are not intended to be accurate, but rather representative. There is no retroactive observation possible. Surveys of these types are based on the collective independent opinions of the persons performing the work and are not amenable to independent evaluation by persons who do not actually perform the work. The auditor's perception of unreasonable results is based on a few interviews and one short observation conducted by the auditor, none of which are relevant to the survey *method* used, but only to the survey results. Is the auditor's work "independent" verification? It is clear that the verification process conducted by the auditor was neither sufficient in scope or supported by a written survey instrument or method that can be properly evaluated by a third party.
7. *The District did not show that the survey results were representative of the employee time spent performing the reimbursable activities.* This is the ultimate bias that pervades the entire audit process. The survey was not designed to accomplish the findings desired by the Controller. The survey is representative of the activities stated in the parameters and guidelines in that the persons performing the tasks responded to their understanding of the questions posed by the parameters and guidelines language. Understanding the language of the parameters and guidelines, plain meaning or otherwise, is a challenge for anyone who prepares annual claims for any mandate program. It is not a unique issue here. The auditor's interview findings and the de minimus observation period are just another interpretation.

The draft audit report concludes that the survey results are unreasonable and excessive. The Controller has not provided the claimants with any professional standards for these types of surveys that attempt to represent costs incurred for numerous retroactive years, even though the Commission has been issuing retroactive parameters and guidelines for 27 years. In this audit, the auditor has not provided any empirical findings that contradict the responses of most of the staff who performed the reimbursable activities. However, the District understands that it will be up to the Commission to determine if the auditor's findings are sufficient to sustain the adjustments made.

Finding 3 - Unallowable contract services

The draft audit report disallows \$73,011 of a total \$91,273 in contract payments to Sungard to provide training on the new Banner system beginning FY 2007-08 as the pro-rata portion not relevant to the implementation of this mandate. The District has no additional documentation for this issue at this time.

Finding 4 - Overstated indirect costs

The draft audit report concludes that the District overstated indirect costs by \$1,007,480 because the District "did not correctly compute the FAM-29C rates." The audit report states that the rates were recalculated based on the FAM-29C methodology allowed by the parameters and guidelines and the Controller's claiming instructions. The audit report does not state that the District's calculations are unreasonable, just that they aren't exactly the same as the Controller's calculations using the same method. There are no regulations or pertinent generally accepted methods for the calculation, so it is a matter of professional judgment. The Controller's claiming instructions are unenforceable because they have not been adopted as regulations under the Administrative Procedure Act, so the only definitive source is the parameters and guidelines.

The parameters and guidelines provide a definition of indirect costs, including: "(b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs." Both the District's annual claims and the auditor used the CCFS-311 as the source document for the calculation using the FAM-29C method designed by the Controller. The CCFS-311 is the state-mandated report for community colleges. The minor differences (2.33% to 4.46%) between the claimed amounts and audit results, beginning FY 2004-05, derived from the choice of how some of the costs are categorized as either direct or indirect for purposes of the calculation. These minor differences are within the realm of a reasonable interpretation of the nature (either direct or indirect) of the costs reported for each CCFS-311 account and the audit findings have not indicated otherwise.

The large differences (17.16% to 21.54%) prior to FY 2004-05, are the result of the District including capital costs and the Controller excluding capital costs from the calculation. The annual claims used the "capital costs" reported in the CCFS-311 until FY 2006-07, and thereafter used annual CPA-audited financial statement depreciation expense in lieu of capital costs. The audit excluded the capital costs every year until FY 2004-05 when depreciation was included by change in Controller policy. The Controller has not stated a legal or factual reason to previously exclude or now include capital or depreciation costs. The burden of proof is on the Controller staff to prove that the product of the District's calculation is unreasonable, not to recalculate the rate according to their unenforceable policy preferences. However, I am told

that this is a statewide audit issue included in dozens of other incorrect reduction claims already filed that will have to be resolved by decision of the Commission on State Mandates.

Finding 5 - Understated offsetting savings/reimbursement

The draft audit report states that the District understated offsetting savings and reimbursements by \$218,652. The major source of difference for most of the fiscal years in the reported and audited amount results from the District's use of the P-2 apportionment information rather than the calculation using the percentages or per-unit amounts.

The offsetting revenues identified in the parameters and guidelines (Part VII) are of three types: the enrollment fee collection 2% administrative offset for all fiscal years, the enrollment fee waiver 2% BFAP allocation beginning FY 2000-01, and the \$.91 per unit waived BFAP-SFAA allocation beginning FY 2000-01 (7% for FY 1999-00). The "Offsetting Revenue" schedule provided to the District on December 16, 2010, states that it is based on information obtained by the auditor from the Chancellor's Office for the District for each of the three types of revenue sources. However, this type of third-party information was, and may not be, generally available at the time the annual reimbursement claims are prepared. The District and other claimants, at the time the annual claims are prepared, must calculate the amounts based on contemporaneous enrollment information and the number of units waived, which would be a continuing source of minor differences.

The District concurs with the auditor's recommendation that claimants should report the revenue sources identified in the parameters and guidelines as an offset to the program costs. However, the revenue offsets should only be offset to the *relevant* mandated activity costs, rather than to the total (combined enrollment fee collection and enrollment fee waiver) program cost. The following schedule compares the audited allowed costs to the audited revenue offset amounts.

Audited Total Program Costs and Related State Revenues

<u>Fiscal Year</u>	<u>Audited Costs</u>	<u>Audited Offsetting Revenues Applied</u>		<u>Totals</u>
		<u>EFC</u>	<u>EFW</u>	
1998-99	\$10,078	\$11,138	\$ 0	\$11,138
1999-00	\$13,555	\$11,114	\$33,736	\$44,850
2000-01	\$14,389	\$11,588	\$30,653	\$42,241
2001-02	\$16,729	\$11,750	\$28,065	\$39,815
2002-03	\$24,782	\$12,247	\$32,363	\$44,610
2003-04	\$26,267	\$17,645	\$43,868	\$61,513
2004-05	\$25,689	\$25,344	\$61,554	\$86,898
2005-06	\$28,174	\$25,513	\$56,322	\$81,835
2006-07	\$76,624	\$24,678	\$65,170	\$89,848
2007-08	<u>\$144,911</u>	<u>\$22,186</u>	<u>\$60,559</u>	<u>\$82,745</u>
Totals	\$381,198*	\$173,203	\$412,290	\$585,493

*The audit report (p. 7) states this total as \$379,990

The revenue sources are for specific purposes. The EFC 2% offset does not apply to EFW program costs. The EFW 2% and \$.91 per waived unit do not apply to EFC program costs.

The audit report does not make that distinction and in effect applies the revenues indiscriminately to all allowed costs because these costs are combined amounts. In addition, the revenues are being applied to types of activities unrelated to the purpose of the revenues. For example, in FY 2007-08 the audit allows \$18,262 (\$91,273 - \$73,011) in contract payments for training programs. The training costs are within the scope of the reimbursable activities but are not a stated purpose for either the EFC or EFW funding. The District requests that the revenue offsets be properly matched and limited to the relevant reimbursable program activities as a matter of the proper matching of program revenues to program costs.

Fraud Risk Assessment

The draft audit report (page 2) states that the auditor was "unable to assess fraud risk because the district, based on its consultant's advice, did not respond to our inquiries regarding fraud assessment." The District determined that providing written responses to the Controller's boilerplate fraud assessment questionnaire is outside the scope of a mandated cost audit and could be construed as a waiver of future appeal rights. The District did respond verbally to these questions. The District objects to the Controller's policy or presumption that its written questionnaire, as presently constituted, is the only method of assessing fraud risk in district financial operations and the presumption that such a global assessment is somehow relevant to a mandate cost accounting audit. Mandated cost audits are not program compliance or annual financial statement audits.

Management Representation Letter

The District will not be providing the requested management representation letter since it could be construed as a waiver of future appeal rights.

Public Records Request

The District requests that the Controller provide the District any and all written instructions, memoranda, or other writings in effect and applicable during the claiming periods to the findings.

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

Sincerely,



Joseph D. Keeler
Vice President of Administrative Services
Gavilan Joint Community College District

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

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

LOS RIOS COMMUNITY COLLEGE DISTRICT

Audit Report

ENROLLMENT FEE COLLECTION AND WAIVERS PROGRAM

Education Code Section 76300 and
California Code of Regulations, Title 5,
Sections 58501-58503, 58611-58613,
58620, and 58630

July 1, 1998, through June 30, 2011



JOHN CHIANG
California State Controller

March 2014



JOHN CHIANG
California State Controller

March 14, 2014

Robert Jones, President
Board of Trustees
Los Rios Community College District
1919 Spanos Court
Sacramento, CA 95825

Dear Mr. Jones:

The State Controller's Office audited the costs claimed by the Los Rios Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code Section 76300 and Title 5, *California Code of Regulations*, Sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2011.

The district claimed \$16,996,026 for the mandated program. Our audit found that \$193,946 is allowable (\$194,064 less a \$118 penalty for filing a late claim) and \$16,802,080 is unallowable. The costs are unallowable because the district claimed estimated costs that were not supported by source documentation; claimed ineligible time; overstated student enrollment numbers; misstated the number of Board of Governor's Grants (BOGG) fee waivers; claimed ineligible contract services costs; claimed ineligible costs for adopting procedures, recording, and maintaining records for BOGG fee waivers; misstated indirect cost rates; claimed unallowable indirect costs; misstated employee productive hourly rates; and misstated eligible offsetting revenues. The State paid the district \$1,759,634. The amount paid exceeds allowable costs claimed by \$1,565,688.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at www.csm.ca.gov/docs/IRCFrm.pdf.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

cc: Brian King, Chancellor
 Los Rios Community College District
Jon Sharpe, Deputy Chancellor
 Los Rios Community College District
Carrie Bray, Director
 Accounting Services
 Los Rios Community College District
Raymond Andres, General Accounting Supervisor
 Los Rios Community College District
Christine Atalig, Specialist
 College Finance and Facilities Planning
 California Community Colleges Chancellor's Office
Mollie Quasebarth, Principal Program Budget Analyst
 Education Systems Unit
 California Department of Finance
Mario Rodriguez, Finance Budget Analyst
 Education Systems Unit
 California Department of Finance
Jay Lal, Manager
 Division of Accounting and Reporting
 State Controller's Office

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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 Enrollment Fee Collection and Waivers Program (Education Code Section 76300 and Title 5, *California Code of Regulations*, Sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2011.

The district claimed \$16,996,026 for the mandated program. Our audit found that \$193,946 is allowable (\$194,064 less a \$118 penalty for filing a late claim), and \$16,802,080 is unallowable. The costs are unallowable because the district claimed estimated costs that were not supported by source documentation; claimed ineligible time; overstated student enrollment numbers; misstated the number of Board of Governor's Grants (BOGG) fee waivers; claimed ineligible contract services costs; claimed ineligible costs for adopting procedures, recording, and maintaining records for BOGG fee waivers; misstated indirect cost rates; claimed unallowable indirect costs; misstated employee productive hourly rates; and misstated eligible offsetting revenues. The State paid the district \$1,759,634. The amount paid exceeds allowable costs claimed by \$1,565,688.

Background

Education Code section 76300 and Title 5, *California Code of Regulations*, sections 58501-58503, 58611-58613, 58620, and 58630 authorize community college districts to calculate and collect student enrollment fees and to waive student fees in certain instances. The codes also direct community college districts to report the number of, and amounts provided for Board of Governor's Grants and to adopt procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5, *California Code of Regulations*.

The sections were added and/or amended by:

- Chapters 1, 274 and 1401, Statutes of 1984
- Chapters 920 and 1454, Statutes of 1985
- Chapters 46 and 395, Statutes of 1986
- Chapter 1118, Statutes of 1987
- Chapter 136, Statutes of 1989
- Chapter 114, Statutes of 1991
- Chapter 703, Statutes of 1992
- Chapters 8, 66, 67, and 1124, Statutes of 1993
- Chapters 153 and 422, Statutes of 1994
- Chapters 63 and 308, Statutes of 1996
- Chapter 72, Statutes of 1999

On April 24, 2003, the Commission on State Mandates (CSM) adopted the Statement of Decision for the Enrollment Fee Collection and Waivers Program. The CSM found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on community college districts within the meaning of Article XIII B, Section 6 of the California Constitution and Government Code section 17514.

The CSM found that the following activities are reimbursable:

- Calculating and collecting the student enrollment fee for each student enrolled except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f).
- Waiving student fees in accordance with the groups listed in Education Code section 76300, subdivisions (g) and (h).
- Waiving fees for students who apply for and are eligible for BOGG fee waivers.
- Reporting to the Community Colleges Chancellor the number of and amounts provided for Board of Governors waivers.
- Adopting procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5 of the *California Code of Regulations*; and including in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 26, 2006. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and 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 Enrollment Fee Collection and Waivers Program for the period of July 1, 1998, through June 30, 2011.

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

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We 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.

Conclusion

Our audit found 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 \$16,996,026 for costs of the Enrollment Fee Collection and Waivers Program. Our audit found that \$193,946 is allowable (\$194,064 less a \$118 penalty for filing a late claim) and \$16,802,080 is unallowable.

For the fiscal year (FY) 1998-99 claim, the State paid the district \$88,115. Our audit found that all costs claimed are unallowable. The State will offset \$88,115 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 1999-2000 through FY 2002-03 claims, the State made no payments to the district. Our audit found that \$74,784 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$74,784, contingent upon available appropriations.

For the FY 2002-03 claim, the State paid the district \$883,017 from funds appropriated under Chapter 724, Statutes of 2010. Our audit found that \$24,208 is allowable. The State will apply \$858,809 against any balances of unpaid mandated-program claims due to the district as of October 19, 2010.

For the FY 2003-2004 through FY 2005-06 claims, the State made no payments to the district. Our audit found that all costs claimed are unallowable.

For the FY 2006-07 and FY 2007-08 claims, the State made no payments to the district. Our audit found that \$46,506 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$46,506, contingent upon available appropriations.

For the FY 2008-09 claim, the State paid the district \$314,866. Our audit found that \$72,656 is allowable. The State will offset \$242,210 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 2009-10 claim, the State paid the district \$473,596. Our audit found that all costs claimed are unallowable. The State will offset \$473,596 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 2010-11 claim, the State made no payment to the district. Our audit found that all costs claimed are unallowable.

**Views of
Responsible
Officials**

We issued a draft audit report on February 19, 2014. Jon Sharpe, Deputy Chancellor, responded by letter dated March 4, 2014 (Attachment), disagreeing with the audit results, except for Finding 10. The final audit report includes the district's response.

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, CPA
Chief, Division of Audits

March 14, 2014

**Schedule 1—
Summary of Program Costs
July 1, 1998, through June 30, 2011**

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 1998, through June 30, 1999</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 271	\$ 271	\$ —	Finding 1
Staff training	435	1,051	616	Finding 2
Calculating and collecting enrollment fees	<u>629,623</u>	<u>109,212</u>	<u>(520,411)</u>	Finding 3
Total direct costs	630,329	110,534	(519,795)	
Indirect costs	<u>212,610</u>	<u>16,271</u>	<u>(196,339)</u>	Finding 9
Total direct and indirect costs	842,939	126,805	(716,134)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(63,923)	(139,610)	(75,687)	Finding 10
Adjustment for unused portion of offsets ²	<u>—</u>	<u>12,805</u>	<u>12,805</u>	Finding 10
Total program costs	<u>\$ 779,016</u>	—	<u>\$ (779,016)</u>	
Less amount paid by the State		<u>(88,155)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (88,155)</u>		
<u>July 1, 1999, through June 30, 2000</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 7,533	\$ —	\$ (7,533)	Finding 1
Staff training	4,657	4,481	(176)	Finding 2
Calculating and collecting enrollment fees	<u>676,926</u>	<u>120,677</u>	<u>(556,249)</u>	Finding 3
Total direct costs	689,116	125,158	(563,958)	
Indirect costs	<u>232,094</u>	<u>19,537</u>	<u>(212,557)</u>	Finding 9
Total direct and indirect costs	921,210	144,695	(776,515)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(75,176)	(135,818)	(60,642)	Finding 10
Adjustment for unused portion of offsets ²	<u>—</u>	<u>—</u>	<u>—</u>	Finding 10
Total enrollment fee collection	<u>846,034</u>	<u>8,877</u>	<u>(837,157)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Adopt procedures, record and maintain records	50,620	5,707	(44,913)	Finding 6
Waiving student fees	183,689	82,171	(101,518)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	<u>—</u>	<u>1,828</u>	<u>1,828</u>	Finding 8
Total direct costs	234,309	89,706	(144,603)	
Indirect costs	<u>78,915</u>	<u>14,003</u>	<u>(64,912)</u>	Finding 9
Total direct and indirect costs	313,224	103,709	(209,515)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 1999, through June 30, 2000 (continued)</u>				
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(234,309)	(328,276)	(93,967)	Finding 10
Adjustment for unused portion of offsets ²	—	224,567	224,567	Finding 10
Total enrollment fee waivers	<u>78,915</u>	<u>—</u>	<u>(78,915)</u>	
Total program costs	<u>\$ 924,949</u>	8,877	<u>\$ (916,072)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 8,877</u>		
<u>July 1, 2000, through June 30, 2001</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 2,130	\$ —	\$ (2,130)	Finding 1
Staff training	189	—	(189)	Finding 2
Calculating and collecting enrollment fees	<u>753,494</u>	<u>138,432</u>	<u>(615,062)</u>	Finding 3
Total direct costs	755,813	138,432	(617,381)	
Indirect costs	<u>256,976</u>	<u>20,668</u>	<u>(236,308)</u>	Finding 9
Total direct and indirect costs	1,012,789	159,100	(853,689)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(76,965)	(134,879)	(57,914)	Finding 10
Adjustment for unused portion of offsets ²	—	—	—	Finding 10
Total enrollment fee collection	<u>935,824</u>	<u>24,221</u>	<u>(911,603)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	2,191	2,191	—	Finding 4
Staff training	1,581	4,132	2,551	Finding 5
Adopt procedures, record and maintain records	31,463	6,323	(25,140)	Finding 6
Waiving student fees	209,628	95,937	(113,691)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	<u>564</u>	<u>2,035</u>	<u>1,471</u>	Finding 8
Total direct costs	245,427	110,618	(134,809)	
Indirect costs	<u>83,445</u>	<u>16,515</u>	<u>(66,930)</u>	Finding 9
Total direct and indirect costs	328,872	127,133	(201,739)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(245,427)	(380,746)	(135,319)	Finding 10
Adjustment for unused portion of offsets ²	—	253,613	253,613	Finding 10
Total enrollment fee waivers	<u>83,445</u>	<u>—</u>	<u>(83,445)</u>	
Total program costs	<u>\$ 1,019,269</u>	24,221	<u>\$ (995,048)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 24,221</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2001, through June 30, 2002</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Staff training	\$ 5,095	\$ 176	\$ (4,919)	Finding 2
Calculating and collecting enrollment fees	868,246	142,999	(725,247)	Finding 3
Total direct costs	873,341	143,175	(730,166)	
Indirect costs	286,369	22,836	(263,533)	Finding 9
Total direct and indirect costs	1,159,710	166,011	(993,699)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(73,469)	(148,533)	(75,064)	Finding 10
Adjustment for unused portion of offsets ²	—	—	—	Finding 10
Total enrollment fee collection	1,086,241	17,478	(1,068,763)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	35	—	(35)	Finding 4
Staff training	4,085	3,111	(974)	Finding 5
Adopt procedures, record and maintain records	109,338	6,526	(102,812)	Finding 6
Waiving student fees	244,415	115,166	(129,249)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	25,673	2,206	(23,467)	Finding 8
Total direct costs	383,546	127,009	(256,537)	
Indirect costs	125,765	20,258	(105,507)	Finding 9
Total direct and indirect costs	509,311	147,267	(362,044)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(383,546)	(413,343)	(29,797)	Finding 10
Adjustment for unused portion of offsets ²	—	266,076	266,076	Finding 10
Total enrollment fee waivers	125,765	—	(125,765)	
Total program costs	\$ 1,212,006	17,478	\$ (1,194,528)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ 17,478		
<u>July 1, 2002, through June 30, 2003</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 69,727	\$ —	\$ (69,727)	Finding 1
Staff training	538	—	(538)	Finding 2
Calculating and collecting enrollment fees	912,138	147,056	(765,082)	Finding 3
Total direct costs	982,403	147,056	(835,347)	
Indirect costs	305,429	24,220	(281,209)	Finding 9
Total direct and indirect costs	1,287,832	171,276	(1,116,556)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(78,534)	(147,068)	(68,534)	Finding 10
Adjustment for unused portion of offsets ²	—	—	—	Finding 10
Total enrollment fee collection	1,209,298	24,208	(1,185,090)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003 (continued)</u>				
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	9,200	—	(9,200)	Finding 4
Staff training	1,879	—	(1,879)	Finding 5
Adopt procedures, record and maintain records	119,041	6,903	(112,138)	Finding 6
Waiving student fees	276,095	192,194	(83,901)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	14,820	2,319	(12,501)	Finding 8
Total direct costs	421,035	201,416	(219,619)	
Indirect costs	130,900	33,173	(97,727)	Finding 9
Total direct and indirect costs	551,935	234,589	(317,346)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(421,036)	(482,916)	(61,880)	Finding 10
Adjustment for unused portion of offsets ²	—	248,327	248,327	Finding 10
Total enrollment fee waivers	130,899	—	(130,899)	
Total program costs	<u>\$ 1,340,197</u>	24,208	<u>\$ (1,315,989)</u>	
Less amount paid by the State ³		(883,017)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (858,809)</u>		
<u>July 1, 2003, through June 30, 2004</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 50,986	\$ —	\$ (50,986)	Finding 1
Staff training	305	—	(305)	Finding 2
Calculating and collecting enrollment fees	901,010	136,217	(764,793)	Finding 3
Total direct costs	952,301	136,217	(816,084)	
Indirect costs	294,071	22,149	(271,922)	Finding 9
Total direct and indirect costs	1,246,372	158,366	(1,088,006)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(158,465)	(225,089)	(66,624)	Finding 10
Adjustment for unused portion of offsets ²	—	66,723	66,723	Finding 10
Total enrollment fee collection	1,087,907	—	(1,087,907)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	13,196	—	(13,196)	Finding 4
Staff training	3,030	316	(2,714)	Finding 5
Adopt procedures, record and maintain records	155,603	7,167	(148,436)	Finding 6
Waiving student fees	389,962	225,496	(164,466)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	43,585	2,550	(41,035)	Finding 8
Total direct costs	605,376	235,529	(369,847)	
Indirect costs	186,940	38,297	(148,643)	Finding 9
Total direct and indirect costs	792,316	273,826	(518,490)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2003, through June 30, 2004 (continued)</u>				
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(605,376)	(588,648)	16,728	Finding 10
Adjustment for unused portion of offsets ²	—	314,822	314,822	Finding 10
Total enrollment fee waivers	<u>186,940</u>	<u>—</u>	<u>(186,940)</u>	
Total program costs	<u>\$ 1,274,847</u>	<u>—</u>	<u>\$ (1,274,847)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2004, through June 30, 2005</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 31,374	\$ —	\$ (31,374)	Finding 1
Staff training	260	—	(260)	Finding 2
Calculating and collecting enrollment fees	<u>913,679</u>	<u>134,987</u>	<u>(778,692)</u>	Finding 3
Total direct costs	945,313	134,987	(810,326)	
Indirect costs	<u>302,122</u>	<u>48,271</u>	<u>(253,851)</u>	Finding 9
Total direct and indirect costs	1,247,435	183,258	(1,064,177)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(334,101)	(305,460)	28,641	Finding 10
Adjustment for unused portion of offsets ²	—	122,202	122,202	Finding 10
Total enrollment fee collection	<u>913,334</u>	<u>—</u>	<u>(913,334)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	7,490	—	(7,490)	Finding 4
Staff training	4,783	2,880	(1,903)	Finding 5
Adopt procedures, record and maintain records	91,790	8,990	(82,800)	Finding 6
Waiving student fees	428,481	250,256	(178,225)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	<u>37,878</u>	<u>2,421</u>	<u>(35,457)</u>	Finding 8
Total direct costs	570,422	264,547	(305,875)	
Indirect costs	<u>182,307</u>	<u>94,602</u>	<u>(87,705)</u>	Finding 9
Total direct and indirect costs	752,729	359,149	(393,580)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(570,422)	(823,840)	(253,418)	Finding 10
Adjustment for unused portion of offsets ²	—	464,691	464,691	Finding 10
Total enrollment fee waivers	<u>182,307</u>	<u>—</u>	<u>(182,307)</u>	
Total program costs	<u>\$ 1,095,641</u>	<u>—</u>	<u>\$ (1,095,641)</u>	
Less amount paid by the State		<u>—</u>		
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 ¹
<u>July 1, 2005, through June 30, 2006</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 35,376	\$ —	\$ (35,376)	Finding 1
Staff training	959	—	(959)	Finding 2
Calculating and collecting enrollment fees	873,585	150,134	(723,451)	Finding 3
Total direct costs	909,920	150,134	(759,786)	
Indirect costs	272,976	32,403	(240,573)	Finding 9
Total direct and indirect costs	1,182,896	182,537	(1,000,359)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(317,575)	(299,332)	18,243	Finding 10
Adjustment for unused portion of offsets ²	—	116,795	116,795	Finding 10
Total enrollment fee collection	865,321	—	(865,321)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	16,837	—	(16,837)	Finding 4
Staff training	9,695	19,742	10,047	Finding 5
Adopt procedures, record and maintain records	134,190	9,514	(124,676)	Finding 6
Waiving student fees	444,612	306,578	(138,034)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	206	2,542	2,336	Finding 8
Total direct costs - salaries and benefits	605,540	338,376	(267,164)	
Direct costs - contracted services				
Prepare policies and procedures	5,892	5,892	—	
Adopt procedures, record and maintain records	10,423	10,423	—	
Total direct costs - contracted services	16,315	16,315	—	
Total direct costs	621,855	354,691	(267,164)	
Indirect costs	181,662	73,031	(108,631)	Finding 9
Total direct and indirect costs	803,517	427,722	(375,795)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(621,855)	(758,864)	(137,009)	Finding 10
Adjustment for unused portion of offsets ²	—	331,142	331,142	Finding 10
Total enrollment fee waivers	181,662	—	(181,662)	
Total program costs	<u>\$ 1,046,983</u>	—	<u>\$ (1,046,983)</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 ¹
<u>July 1, 2006, through June 30, 2007</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare Policies and Procedures	\$ 151	\$ —	\$ (151)	Finding 1
Staff Training	2,646	24,434	21,788	Finding 2
Calculating and collecting enrollment fees	930,190	177,099	(753,091)	Finding 3
Total direct costs - salaries and benefits	932,987	201,533	(731,454)	
Direct costs - contracted services				
Calculating and collecting enrollment fees	21,019	—	(21,019)	Finding 3
Total direct costs - contracted services	21,019	—	(21,019)	
Total direct costs	954,006	201,533	(752,473)	
Indirect costs	351,736	75,978	(275,758)	Finding 9
Total direct and indirect costs	1,305,742	277,511	(1,028,231)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(291,730)	(276,331)	15,399	Finding 10
Adjustment for unused portion of offsets ²	—	—	—	Finding 10
Total enrollment fee collection	1,014,012	1,180	(1,012,832)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare Policies and Procedures	686	—	(686)	Finding 4
Staff training	7,681	40,966	33,285	Finding 5
Adopt procedures, record and maintain records	14,570	9,930	(4,640)	Finding 6
Waiving student fees	441,101	359,823	(81,278)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	1,115	2,846	1,731	Finding 8
Total direct costs - salaries and benefits	465,153	413,565	(51,588)	
Direct costs - contracted services				
Waiving student fees	2,000	2,000	—	
Total direct costs - contracted services	2,000	2,000	—	
Total direct costs	467,153	415,565	(51,588)	
Indirect costs	175,362	156,668	(18,694)	Finding 9
Total direct and indirect costs	642,515	572,233	(70,282)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(465,151)	(777,100)	(311,949)	Finding 10
Adjustment for unused portion of offsets ²	—	204,867	204,867	Finding 10
Total enrollment fee waivers	177,364	—	(177,364)	
Subtotal	1,191,376	1,180	(1,190,196)	
Less late filing penalty	—	(118)	(118)	
Total program costs	\$ 1,191,376	1,062	\$ (1,190,314)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ 1,062		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2007, through June 30, 2008</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 3,720	\$ —	\$ (3,720)	Finding 1
Staff training	537	520	(17)	Finding 2
Calculating and collecting enrollment fees	1,046,120	212,488	(833,632)	Finding 3
Total direct costs - salaries and benefits	<u>1,050,377</u>	<u>213,008</u>	<u>(837,369)</u>	
Direct costs - contracted services				
Calculating and collecting enrollment fees	29,332	—	(29,332)	Finding 3
Total direct costs - contracted services	<u>29,332</u>	<u>—</u>	<u>(29,332)</u>	
Total direct costs	1,079,709	213,008	(866,701)	
Indirect costs	<u>379,816</u>	<u>82,541</u>	<u>(297,275)</u>	Finding 9
Total direct and indirect costs	1,459,525	295,549	(1,163,976)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(252,954)	(250,105)	2,849	Finding 10
Adjustment for unused portion of offsets ²	—	—	—	Finding 10
Total enrollment fee collection	<u>1,206,571</u>	<u>45,444</u>	<u>(1,161,127)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	14,373	—	(14,373)	Finding 4
Staff training	14,750	48,713	33,963	Finding 5
Adopt procedures, record and maintain records	301,717	11,192	(290,525)	Finding 6
Waiving student fees	639,953	448,716	(191,237)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	11,928	3,287	(8,641)	Finding 8
Total direct costs - salaries and benefits	<u>982,721</u>	<u>511,908</u>	<u>(470,813)</u>	
Direct costs- contracted services				
Waiving student fees	2,060	2,060	—	
Total direct costs - contracted services	<u>2,060</u>	<u>2,060</u>	<u>—</u>	
Total direct costs	984,781	513,968	(470,813)	
Indirect costs	<u>355,352</u>	<u>198,364</u>	<u>(156,988)</u>	Finding 9
Total direct and indirect costs	1,340,133	712,332	(627,801)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(894,435)	(768,423)	126,012	Finding 10
Adjustment for unused portion of offsets ²	—	56,091	56,091	Finding 10
Total enrollment fee waivers	<u>445,698</u>	<u>—</u>	<u>(445,698)</u>	
Total program costs	<u>\$ 1,652,269</u>	45,444	<u>\$ (1,606,825)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 45,444</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2008, through June 30, 2009</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 514	\$ —	\$ (514)	Finding 1
Staff training	332	—	(332)	Finding 2
Calculating and collecting enrollment fees	1,532,832	230,425	(1,302,407)	Finding 3
Total direct costs - salaries and benefits	<u>1,533,678</u>	<u>230,425</u>	<u>(1,303,253)</u>	
Direct costs - contracted services				
Calculating and collecting enrollment fees	26,881	—	(26,881)	Finding 3
Total direct costs - contracted services	<u>26,881</u>	<u>—</u>	<u>(26,881)</u>	
Total direct costs	1,560,559	230,425	(1,330,134)	
Indirect costs	<u>567,768</u>	<u>92,815</u>	<u>(474,953)</u>	Finding 9
Total direct and indirect costs	2,128,327	323,240	(1,805,087)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(264,258)	(250,584)	13,674	Finding 10
Adjustment for unused portion of offsets ²	<u>—</u>	<u>—</u>	<u>—</u>	Finding 10
Total enrollment fee collection	<u>1,864,069</u>	<u>72,656</u>	<u>(1,791,413)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	1,623	—	(1,623)	Finding 4
Staff training	608	633	25	Finding 5
Adopt procedures, record and maintain records	5,223	10,353	5,130	Finding 6
Waiving student fees	479,298	409,306	(69,992)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	2,782	3,210	428	Finding 8
Total direct costs - salaries and benefits	<u>489,534</u>	<u>423,502</u>	<u>(66,032)</u>	
Direct costs - contracted services				
Waiving student fees	2,101	2,101	—	
Total direct costs - contracted services	<u>2,101</u>	<u>2,101</u>	<u>—</u>	
Total direct costs	491,635	425,603	(66,032)	
Indirect costs	<u>181,225</u>	<u>170,587</u>	<u>(10,638)</u>	Finding 9
Total direct and indirect costs	672,860	596,190	(76,670)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(491,635)	(795,286)	(303,651)	Finding 10
Adjustment for unused portion of offsets ²	<u>—</u>	<u>199,096</u>	<u>199,096</u>	Finding 10
Total enrollment fee waivers	<u>181,225</u>	<u>—</u>	<u>(181,225)</u>	
Total program costs	<u>\$ 2,045,294</u>	72,656	<u>\$ (1,972,638)</u>	
Less amount paid by the State		(314,866)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (242,210)</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2009, through June 30, 2010</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 1,564,760	\$ 201,290	\$ (1,363,470)	Finding 3
Total direct costs - salaries and benefits	<u>1,564,760</u>	<u>201,290</u>	<u>(1,363,470)</u>	
Direct costs - contracted services				
Calculating and collecting enrollment fees	46,380	—	(46,380)	Finding 3
Total direct costs - contracted services	<u>46,380</u>	<u>—</u>	<u>(46,380)</u>	
Total direct costs	1,611,140	201,290	(1,409,850)	
Indirect costs	<u>682,235</u>	<u>85,287</u>	<u>(596,948)</u>	Finding 9
Total direct and indirect costs	2,293,375	286,577	(2,006,798)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(287,426)	(286,718)	708	Finding 10
Adjustment for unused portion of offsets ²	<u>—</u>	<u>141</u>	<u>141</u>	Finding 10
Total enrollment fee collection	<u>2,005,949</u>	<u>—</u>	<u>(2,005,949)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	971	—	(971)	Finding 4
Adopt procedures, record and maintain records	706	10,112	9,406	Finding 6
Waiving student fees	509,096	443,738	(65,358)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	<u>4,333</u>	<u>3,300</u>	<u>(1,033)</u>	Finding 8
Total direct costs - salaries and benefits	<u>515,106</u>	<u>457,150</u>	<u>(57,956)</u>	
Direct costs - contracted services				
Waiving student fees	<u>2,143</u>	<u>2,143</u>	<u>—</u>	
Total direct costs - contracted services	<u>2,143</u>	<u>2,143</u>	<u>—</u>	
Total direct costs	517,249	459,293	(57,956)	
Indirect costs	<u>224,587</u>	<u>193,694</u>	<u>(30,893)</u>	Finding 9
Total direct and indirect costs	741,836	652,987	(88,849)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(741,836)	(922,574)	(180,738)	Finding 10
Adjustment for unused portion of offsets ²	<u>—</u>	<u>269,587</u>	<u>269,587</u>	Finding 10
Total enrollment fee waivers	<u>—</u>	<u>—</u>	<u>—</u>	
Total program costs	<u>\$ 2,005,949</u>	<u>—</u>	<u>\$ (2,005,949)</u>	
Less amount paid by the State		<u>(473,596)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (473,596)</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2010, through June 30, 2011</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 177	\$ —	\$ (177)	Finding 1
Staff training	355	—	(355)	Finding 2
Calculating and collecting enrollment fees	1,092,593	155,083	(937,510)	Finding 3
Total direct costs - salaries and benefits	<u>1,093,125</u>	<u>155,083</u>	<u>(938,042)</u>	
Direct costs - contracted services				
Calculating and collecting enrollment fees	54,062	—	(54,062)	Finding 3
Total direct costs - contracted services	<u>54,062</u>	<u>—</u>	<u>(54,062)</u>	
Total direct costs	1,147,187	155,083	(992,104)	
Indirect costs	476,603	67,027	(409,576)	Finding 9
Total direct and indirect costs	1,623,790	222,110	(1,401,680)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(215,560)	(238,757)	(23,197)	Finding 10
Adjustment for unused portion of offsets ²	—	16,647	16,647	Finding 10
Total enrollment fee collection	<u>1,408,230</u>	<u>—</u>	<u>(1,408,230)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Staff training	355	—	(355)	Finding 5
Adopt procedures, record and maintain records	1,420	9,945	8,525	Finding 6
Waiving student fees	788,642	441,887	(346,755)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	473	3,268	2,795	Finding 8
Total direct costs - salaries and benefits	<u>790,890</u>	<u>455,100</u>	<u>(335,790)</u>	
Direct costs - contracted services				
Waiving student fees	2,186	2,186	—	
Total direct costs - contracted services	<u>2,186</u>	<u>2,186</u>	<u>—</u>	
Total direct costs	793,076	457,286	(335,790)	
Indirect costs	344,828	196,694	(148,134)	Finding 9
Total direct and indirect costs	1,137,904	653,980	(483,924)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(1,137,904)	(1,059,559)	78,345	Finding 10
Adjustment for unused portion of offsets ²	—	405,579	405,579	Finding 10
Total enrollment fee waivers	<u>—</u>	<u>—</u>	<u>—</u>	
Total program costs	<u>\$ 1,408,230</u>	<u>—</u>	<u>\$ (1,408,230)</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 ¹
<u>Summary: July 1, 1998, through June 30, 2011</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 201,959	\$ 271	\$ (201,688)	
Staff training	16,308	30,662	14,354	
Calculating and collecting enrollment fees	<u>12,695,196</u>	<u>2,056,099</u>	<u>(10,639,097)</u>	
Total direct costs - salaries and benefits	<u>12,913,463</u>	<u>2,087,032</u>	<u>(10,826,431)</u>	
Direct costs - contracted services				
Calculating and collecting enrollment fees	<u>177,674</u>	<u>—</u>	<u>(177,674)</u>	
Total direct costs - contracted services	<u>177,674</u>	<u>—</u>	<u>(177,674)</u>	
Total direct costs	13,091,137	2,087,032	(11,004,105)	
Indirect costs	<u>4,620,805</u>	<u>610,003</u>	<u>(4,010,802)</u>	
Total direct and indirect costs	17,711,942	2,697,035	(15,014,907)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(2,490,136)	(2,838,284)	(348,148)	
Adjustment for unused portion of offsets ²	<u>—</u>	<u>335,313</u>	<u>335,313</u>	
Total enrollment fee collection	<u>15,221,806</u>	<u>194,064</u>	<u>(15,027,742)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	66,602	2,191	(64,411)	
Staff training	48,447	120,493	72,046	
Adopt procedures, record and maintain records	1,015,681	102,662	(913,019)	
Waiving student fees	5,034,972	3,371,268	(1,663,704)	
Reporting BOGG fee waiver data to CCCCCO	<u>143,357</u>	<u>31,812</u>	<u>(111,545)</u>	
Total direct costs - salaries and benefits	<u>6,309,059</u>	<u>3,628,426</u>	<u>(2,680,633)</u>	
Direct costs - contracted Services				
Prepare policies and procedures	5,892	5,892	—	
Adopt procedures, record and maintain records	10,423	10,423	—	
Waiving student fees	<u>10,490</u>	<u>10,490</u>	<u>—</u>	
Total direct costs - contracted services	<u>26,805</u>	<u>26,805</u>	<u>—</u>	
Total direct costs	6,335,864	3,655,231	(2,680,633)	
Indirect costs	<u>2,251,288</u>	<u>1,205,886</u>	<u>(1,045,402)</u>	
Total direct and indirect costs	8,587,152	4,861,117	(3,726,035)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(6,812,932)	(8,099,575)	(1,286,643)	
Adjustment for unused portion of offsets ²	<u>—</u>	<u>3,238,458</u>	<u>3,238,458</u>	
Total enrollment fee waivers	<u>1,774,220</u>	<u>—</u>	<u>(1,774,220)</u>	
Subtotal	16,996,026	194,064	(16,801,962)	
Less late filing penalty	<u>—</u>	<u>(118)</u>	<u>(118)</u>	
Total program costs	<u>\$ 16,996,026</u>	193,946	<u>\$ (16,802,080)</u>	
Less amount paid by the State		<u>(1,759,634)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (1,565,688)</u>		

¹ See the Findings and Recommendations section.

² Offsetting savings and reimbursements are limited to total allowable direct and indirect costs and are calculated separately for enrollment fee collection and enrollment fee waivers.

³ Payment from funds appropriated under Chapter 724, Statutes of 2010 (Assembly Bill No. 1610).

Findings and Recommendations

**FINDING 1—
Enrollment Fee
Collection: Preparing
Policies and
Procedures Cost
Component –
unallowable one-time
costs**

The district claimed \$201,959 in salaries and benefits during the audit period for the one-time activity of preparing district policies and procedures for the collection of enrollment fees. We found that \$271 is allowable and \$201,688 is unallowable. Costs are unallowable because hours claimed were estimates of time spent. The district did not support costs claimed with actual cost documentation. In addition, the district did not provide support that costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding the collection of enrollment fees.

The following table summarizes the claimed, allowable, and audit adjustment amounts per fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and Benefits:			
1998-99	\$ 271	\$ 271	\$ —
1999-2000	7,533	—	(7,533)
2000-01	2,130	—	(2,130)
2002-03	69,727	—	(69,727)
2003-04	50,986	—	(50,986)
2004-05	31,374	—	(31,374)
2005-06	35,376	—	(35,376)
2006-07	151	—	(151)
2007-08	3,720	—	(3,720)
2008-09	514	—	(514)
2010-11	177	—	(177)
Total, salaries and benefits	<u>\$ 201,959</u>	<u>\$ 271</u>	<u>\$ (201,688)</u>

The majority of hours claimed were estimates of time spent by an Application Systems Supervisor: 1,210 hours for fiscal year (FY) 2002-03, 860 hours for FY 2003-04, 460 hours for FY 2004-05, and 500 hours for FY 2005-06. However, for costs to be reimbursable, the district must provide actual cost documentation supporting the extent to which it incurred costs for changes in district policies and procedures due to changes in state law.

The program’s parameters and guidelines (section IV–Reimbursable Activities) state:

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records, time logs, sign-in sheets, invoices, and receipts.

The parameters and guidelines also state that salaries and benefits are reimbursable if claimants report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate, and provide a description of the specific reimbursable activities performed and the hours devoted to those activities.

The parameters and guidelines (section IV.A.1.a–Reimbursable Activities, Enrollment Fee Collection–One-Time Activities–Policies and Procedures) state that the preparation of policies and procedures is reimbursable as a one-time activity for collection of enrollment fees. The Commission on State Mandates (CSM) Final Staff Analysis for the Proposed Parameters and Guidelines dated January 13, 2006, for the one-time activity of adopting policies and procedures, states, “. . . staff finds that updates to the policies and procedures would be subject to change in the community college district’s policy rather than state law, and would not be reimbursable.”

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The District claimed \$201,959 in salaries and benefits during the audit period for the activity of preparing district policies and procedures for the collection of enrollment fees. The draft audit states that \$271 is allowable and \$201,688 is unallowable because, “the district did not provide support that costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding the collection of enrollment fees.” About 98% of the disallowed staff time occurred before FY 2006-07 when the parameters and guidelines became available to the claimants.

The parameters and guidelines state that preparing district policies and procedures is reimbursable as a one-time activity. There is no stated requirement to distinguish this work as either discretionary or a result of changes in state law as asserted by the draft audit report. The audit report cites the Commission Final Staff Analysis for the parameters and guidelines for the premise, not stated in the parameters and guidelines, that updates to policies and procedures result from changes in local policy. This is a factual assumption not supported by the audit findings, and seemingly contrary to the numerous changes in state law as a result in changes in the enrollment fee amounts, among other things, over the years. The language of Education Code Section 76300 changed frequently and the subject matter of the relevant Title 5, CCR, sections may have been updated by the Board of Governors.

The audit report essentially disallows staff time for policies and procedures after the first instances of reported costs for these activities in FY 1998-99 as a duplication of one-time costs without regard to subsequent changes made to the policies and procedures.

SCO's Comments

The dollar finding and recommendation remain unchanged. We updated the narrative section of the finding to clarify the documentation provided by the district in support of costs claimed.

The district states that approximately 98% of the disallowed staff time occurred before FY 2006-07 (first 8 of the 13 fiscal-year audit period), when the parameters and guidelines became available. We agree. However, the issuance date of the parameters and guidelines has no effect on the district's responsibility to support costs claimed. We audit to the requirements stated in the parameters and guidelines. If the district disagreed with the documentation requirements in the parameters and guidelines, it had the opportunity to suggest changes to the requirements prior to adoption.

The district states that the SCO essentially disallowed "staff time for policies and procedures after the first instance of reported costs for these activities in FY 1998-99 as a duplication of one-time costs without regard to subsequent changes made to the policies and procedures." We disagree.

For the entire audit period, employees estimated the time it took to perform the one-time activity of preparing policies and procedures per the collection of enrollment fees, generally per year, on certification forms developed by the district's mandated cost consultant. These forms were not prepared contemporaneously. As noted in the finding, the majority of the hours determined to be unallowable were (annual) estimates of time spent by an Application Systems Supervisor: 1,210 hours for FY 2002-03, 860 hours for FY 2003-04, 460 hours for FY 2004-05, and 500 hours for FY 2005-06. We allowed reimbursable costs that the district supported.

For the unallowable costs, the district did not support costs claimed with actual cost documentation. In addition, the district provided no support that costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding the collection of enrollment fees.

**FINDING 2—
Enrollment Fee
Collection: Training
Cost Component –
unallowable one-time
costs**

The district claimed \$16,308 in salaries and benefits during the audit period for the activity of training district staff who implement the program on the procedures for the collection of enrollment fees (one-time per employee). We found that \$30,662 is allowable. Allowable costs exceed claimed costs by \$14,354. The district did not claim the trainers' hours and claimed training for some district staff more than once.

The district claimed estimated costs and in some instances did not provide any actual costs data or documentation supporting the nature of the training, the length of the training, or which employees attended the training.

The following table summarizes the claimed, allowable, and audit adjustment amounts per fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and Benefits			
1998-99	\$ 435	\$ 1,051	\$ 616
1999-2000	4,657	4,481	(176)
2000-01	189	—	(189)
2001-02	5,095	176	(4,919)
2002-03	538	—	(538)
2003-04	305	—	(305)
2004-05	260	—	(260)
2005-06	959	—	(959)
2006-07	2,646	24,434	21,788
2007-08	537	520	(17)
2008-09	332	—	(332)
2009-10	—	—	—
2010-11	355	—	(355)
Total, salaries and benefits	<u>\$ 16,308</u>	<u>\$ 30,662</u>	<u>\$ 14,354</u>

For FY 1998-99, FY 2001-02, FY 2006-07 and FY 2007-08, the district provided estimates of time for one staff member who provided staff training and the productive hourly rate support. The costs were allowable because they appeared to be reasonable based on the amount of training provided.

For FY 1999-2000 through FY 2005-06, FY 2007-08, FY 2008-09, and FY 2010-11, the district claimed costs for training the same staff more than once. For the Training Costs component, training costs are reimbursable only once per employee. Therefore, the costs claimed are unallowable.

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language.)

The parameters and guidelines (section IV.A.1.b–Reimbursable Activities–Enrollment Fee Collection–One-Time Activities–Staff Training (One-time per employee)) state that staff training is reimbursable as a one-time cost per employee for training district staff who implement the program based on the procedures for the collection of enrollment fees. Consistent with the CSM’s Final Staff Analysis for policies and procedures, training existing staff for changes in the community college district’s policies and procedures is not reimbursable.

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District's Response

The District claimed \$16,308 in salaries and benefits during the audit period for the activity of training district staff who implement the program on the procedures for the collection of enrollment fees. The audit report states that \$30,662 is allowable and \$14,354 is unallowable. The increase is generally related to additional allowed trainers' hours not claimed by the district for FY 2006-07. Hours disallowed are for trainee staff claimed more than once by name, or for hours claimed without documentation related to the nature of the training, the length of the training, and which district employees attended the training. About 90% of the disallowed staff time occurred before FY 2006-07, when the parameters and guidelines became available to the district.

The draft audit report disallows claimed training time for employees who were claimed more than once during the thirteen fiscal years in the audit period. However, it should be considered that the content of the training would change over the span of years; thus, new content would be a new one-time activity for any repeat staff members. The language of Education Code Section 76300 changed frequently and the subject matter of the relevant Title 5, CCR, sections as may have been updated by the Board of Governors. It should also be anticipated that the name of the supervisors or managers conducting the training would appear in the claims for several years. There should be no blanket disallowance of staff time for persons whose name appears more than once, whether a new or existing employee, without a determination of whether the subject matter of the training was duplicate of previously claimed training activities.

SCO's Comments

The dollar finding and recommendation remain unchanged.

The district states that approximately 90% of the disallowed staff time occurred before FY 2006-07 (first 8 of the 13 fiscal-year audit period), when the parameters and guidelines became available. We agree. Refer to the SCO's comments in Finding 1 for a discussion related to documentation requirements.

The district states that costs were determined to be unallowable because training time for employees were claimed more than once during the audit period. We disagree. Training costs were determined to be unallowable because the district estimated time spent for the entire audit period and did not support the nature of the training provided. Employees estimated the time it took to perform the one-time activity of training district staff who implement the program on the procedures for the collection of enrollment fees, generally per year, on certification forms developed by the district's mandated cost consultant. These forms were not prepared contemporaneously.

The district also states that we should consider that the content of the training would change over the span of years; thus, new content would be a new one-time activity for any repeat staff members. The district further states, “There should be no blanket disallowance of staff time for persons whose name appears more than once, whether a new or existing employee, without a determination of whether the subject matter of the training was duplicate of previously claimed training activities.” We agree with both of these statements. We determined allowable costs based on documentation the district provided in support of claimed costs. We allowed reimbursable costs based on documentation the district provided supporting the nature of the training, the length of the training, and the employees who attended the training.

**FINDING 3—
Enrollment Fee
Collection:
Calculating and
Collecting Enrollment
Fees Cost
Component—
unallowable ongoing
costs**

The district claimed \$12,872,870 (\$12,695,196 in salaries and benefits and \$177,674 in contract services) for the Calculating and Collecting Enrollment Fees cost component during the audit period. We found that \$2,056,099 in salaries and benefits is allowable and \$10,816,771 is unallowable. All costs claimed for contract services are unallowable. The costs are unallowable because the district estimated the amount of time required to perform the reimbursable activities. Also, we noted variations in the number of students used in the district’s calculations, based on the student enrollment data provided to us by the California Community College Chancellor’s Office (CCCCO) and the number of students who paid their enrollment fees online rather than in person based on information provided to us by the district. In addition, the district claimed ineligible costs for contract services.

The following table summarizes the overstated on-going costs related to calculating and collecting enrollment fees by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and Benefits:			
1998-99	\$ 629,623	\$ 109,212	\$ (520,411)
1999-2000	676,926	120,677	(556,249)
2000-01	753,494	138,432	(615,062)
2001-02	868,246	142,999	(725,247)
2002-03	912,138	147,056	(765,082)
2003-04	901,010	136,217	(764,793)
2004-05	913,679	134,987	(778,692)
2005-06	873,585	150,134	(723,451)
2006-07	930,190	177,099	(753,091)
2007-08	1,046,120	212,488	(833,632)
2008-09	1,532,832	230,425	(1,302,407)
2009-10	1,564,760	201,290	(1,363,470)
2010-11	1,092,593	155,083	(937,510)
Subtotal, salaries and benefits	12,695,196	2,056,099	(10,639,097)
Contract Services:			
2006-07	21,019	—	(21,019)
2007-08	29,332	—	(29,332)
2008-09	26,881	—	(26,881)
2009-10	46,380	—	(46,380)
2010-11	54,062	—	(54,062)
Subtotal, contract services	177,674	—	(177,674)
Total	\$ 12,872,870	\$ 2,056,099	\$ (10,816,771)

The parameters and guidelines (section IV.A.2) allow ongoing activities related to costs for calculating and collecting the student enrollment fee for each student enrolled with the exception of nonresidents and special part-time students cited in Government Code section 76300, subdivision (f), for the following six reimbursable activities:

- i. Referencing student accounts and records to determine course workload, status of payments, and eligibility for fee waiver. Printing a list of enrolled courses. **(Activity 1)**
- ii. Calculating the total enrollment fee to be collected. Identifying method of payment. Collecting cash and making change as necessary. Processing credit card and other non-cash payment transactions (however, any fees that may be charged to a community college district by a credit card company or bank are not reimbursable). Preparing a receipt for a payment received. **(Activity 2)**
- iii. Answering student's questions regarding enrollment fee collection or referring them to the appropriate person for an answer. **(Activity 3)**
- iv. Updating written and computer records for the enrollment fee information and providing a copy to the student. Copying and filing enrollment fee documentation. **(Activity 4)**
- v. Collecting delinquent enrollment fees, including written or telephonic collection notices to students, turning accounts over to collection agencies, or small claims court action. **(Activity 5)**
- vi. For students who establish fee waiver eligibility after the enrollment fee has been collected, providing a refund or enrollment fees paid and updating student and district records as required. (Refund process for change in program is not reimbursable). **(Activity 6)**

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language.)

Salaries and Benefits

For FY 1998-99 through FY 2010-11, the district claimed salaries and benefits for the six reimbursable activities under the Calculating and Collecting Enrollment Fees cost component using time allowances developed using employees' annual survey forms that estimated the time it took staff to complete various activities. For the entire audit period, employees estimated, on certification forms developed by the district's mandated cost consultant, the average time, in minutes, it took them to perform the six reimbursable activities per student per year. Also, for the entire audit period, the district did not provide any source documentation based on actual data to support the estimated time allowances.

As the mandated activities took place at the district during the audit period, we assessed whether or not the time estimates cited by district staff for FY 1998-99 through FY 2010-11 were reasonable. We held discussions with various district representatives in order to determine the procedures that district staff followed to perform the reimbursable

activities. We observed district staff in the Cashier Offices who collect enrollment fees from students and documented, based on our observations, the average time increments spent by district staff to perform these activities.

The following identifies allowable and unallowable time increments related to reimbursable Activities 1 through 6.

Activities 1 through 4: Activity 1-Referencing student accounts, Activity 2-Calculating and collecting the fee, Activity 3-Answering students' questions, Activity 4- Updating student records

Time Increments

Using certification forms developed by the district's mandated cost consultant, district employees estimated the time required to perform the reimbursable activities. Based on these certifications, the district developed time allowances, per student for the audit period, ranging from 13.1 minutes to 16.2 minutes (as shown in the table on page 26). Based on our observations, we determined that the time allowances claimed for these activities for these years were overstated.

We held discussions with various district representatives during the audit in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Cashier Offices performing the reimbursable activities and other, non-mandated activities. We documented the average time increments spent by district staff to perform the reimbursable activities. During eight days of observations, we observed and documented a total of 610 transactions processed by district staff. Of these, 57 involved the payment of enrollment fees encompassing Activities 1 through 4, totaling 137.98 minutes. In addition, we observed an end-of-the-day batch process system update that included 436 enrollment fee transactions, totaling 40.50 minutes. The average time to perform all four activities was 2.52 minutes, or 0.63 minutes per activity.

Activity 5: Collecting Delinquent Enrollment Fees

Time Increments

Using certification forms developed by the district's mandated cost consultant, district employees estimated the time required to perform reimbursable Activity 5. Based on these certifications, the district developed time allowances, per student account from FY 1998-99 through FY 2009-10, ranging from 6.2 minutes to 10 minutes to collect delinquent enrollment fees (as shown in the table on page 26).

Beginning in FY 2010-11, the district's computer system automatically drops students for non-payment; therefore, enrollment fees do not become delinquent. Due to the current process, we were unable to observe staff collecting delinquent fees at the Cashier Offices. District staff explained that the class-by-class auto-drop process for non-payment began in June 2010, for the summer and fall classes of 2010. Prior to the class-by-class auto-drop process, the district placed a hold on the student's account and invoiced the student for fees due. The invoicing

process required staff at the District Office to send students a hardcopy invoice via regular mail. Therefore, if the payment was received, the district applied the payment to the student's account and released the hold. Staff indicated that placing a hold on the student's account was a manual process and invoicing was a batch process. Based on the information provided, we determined that the time claimed for this component was reasonable for FY 1998-99 through FY 2009-10.

For FY 2010-11, the district indicated that staff time includes the class-by-class auto-drop process. The district claimed 4 minutes per student to collect delinquent enrollment fees. District personnel explained that staff review daily the list of potential students to be dropped during the next auto-drop process. District staff members place "Do Not Drop" holds on students' accounts whose enrollment fees were being paid by a third party, but the payment has not yet been received by the district. However, for costs to be allowable for FY 2010-11, the district must provide source documentation supporting the staff time involvement in the class by class auto-drop process.

Activity 6: Providing a refund for students who establish fee waiver eligibility after the enrollment fee has been collected

Time Increments

Using certification forms developed by the district's mandated cost consultant; district employees estimated the time required to perform reimbursable Activity 6. Based on these certifications, the district developed time allowances per refund transaction for the audit period ranging from 3.1 minutes to 6.6 minutes (as shown in the following table). Based on our observations, we determined that the time allowances claimed for these activities for these years were reasonable.

Staff explained that this activity is a three-step process. The refund process is initiated at the Cashier's Office window as students submit "Fee Refund Application" forms. Students also have the option to complete and submit their application online at the college website. An Account Clerk reviews the refund application, manually inputs the refund data into district records, and approves the refund. After the approval process, the refunds are sent to the District Office for completion. Currently, staff process refunds twice per month.

During eight days of observation at the Cashier Offices, we observed 26 students submit a Fee Refund Application to staff at the Cashier Office windows. Based on our observations of district staff, it takes staff an average of 1.74 minutes to perform step one of the refund process. In addition, we observed an Account Clerk complete step two of the refund process at the back counter of the Cashier's Office and process 94 refund applications. Based on our observations of district staff, it takes staff an average of 1.88 minutes to perform step two of the refund process with a combined average totaling 3.62 minutes to perform step one and two of the refund process.

Calculation of Time Increments Adjustment

The following table summarizes the minutes claimed and allowable for reimbursable Activities 1 through 6:

Fiscal Year	Claimed Reimbursable Activity							Total Claimed Activities 1-6
	1	2	3	4	5	6		
	Referencing student accounts	Calculating the fee	Answering questions	Updating records	Subtotal Activities 1-4	Collecting delinquent fees	Providing refunds	
1998-99	3.4	3.3	3.3	5.7	15.7	6.2	3.1	25.0
1999-2000	3.4	3.4	3.3	5.6	15.7	6.8	3.1	26.6
2000-01-2001-02	3.4	3.3	3.4	5.4	15.5	7.4	3.2	26.1
2002-03-2003-04	3.7	3.3	3.4	5.4	15.8	7.4	3.4	26.6
2004-05	3.8	3.3	3.5	5.3	15.9	7.9	3.5	27.3
2005-06-2007-08	3.4	3.1	4.0	2.7	13.2	7.5	3.8	24.5
2008-09	4.2	2.8	5.2	2.5	14.7	10.0	6.6	31.3
2009-10	4.4	3.4	5.0	3.4	16.2	9.5	5.7	31.4
2010-11	3.1	3.0	4.3	2.7	13.1	4.0	4.1	21.2

Fiscal Year	Allowable Reimbursable Activity							Total Claimed Activities 1-6
	1	2	3	4	5	6		
	Referencing student accounts	Calculating the fee	Answering questions	Updating records	Subtotal Activities 1-4	Collecting delinquent fees	Providing refunds	
1998-99	0.63	0.63	0.63	0.63	2.52	6.2	3.1	11.82
1999-2000	0.63	0.63	0.63	0.63	2.52	6.8	3.1	12.42
2000-01-2001-02	0.63	0.63	0.63	0.63	2.52	7.4	3.2	13.12
2002-03-2003-04	0.63	0.63	0.63	0.63	2.52	7.4	3.4	13.32
2004-05	0.63	0.63	0.63	0.63	2.52	7.9	3.5	13.92
2005-06-2007-08	0.63	0.63	0.63	0.63	2.52	7.5	3.8	13.82
2008-09	0.63	0.63	0.63	0.63	2.52	10.0	6.6	19.12
2009-10	0.63	0.63	0.63	0.63	2.52	9.5	5.7	17.22
2010-11	0.63	0.63	0.63	0.63	2.52	—	4.1	6.62

Multiplier Calculation

Activity 1 through 4

For Activities 1 through 4, the district claimed costs by multiplying the number of students (multiplier) by a uniform time allowance and an annual average productive hourly rate. For Activities 1 and 3, the district used the number of total enrolled students as the multiplier. In determining student enrollment, the district used the “Student Headcount by Unit Load” summary report obtained from the CCCC’s (Data Mart) Website. However, this report includes duplicated students (e.g., students who attend more than one college in the district) by term. The district did not deduct ineligible non-resident and special admit students (students who attend a community college while in high school pursuant to

Education Code section 76001). For Activities 2 and 4, the district used the number of total enrolled students less the number of Board of Governor's Grants (BOGG) fee waivers granted as the multiplier.

We updated the district's calculations of eligible students for Activities 1 and 3 based on the number of students enrolled that the district reported to the CCCCCO less non-resident students and special admit students. The CCCCCO's management information system (MIS) identifies enrollment information based on student data that the district reported from the MIS data element STD 7, codes A through G. The CCCCCO eliminates any duplicate students by term based on their Social Security number.

We also updated the district's calculations of eligible students for Activities 2 and 4 by deducting the number of BOGG recipients from reimbursable student enrollment confirmed by the CCCCCO. The CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F. In addition, we deducted students that paid their fees through the district's online system and added the number of refunds claimed for students who paid their enrollment fees and were subsequently granted a BOGG fee waiver.

For the audit period, the district provided a breakdown of the number of students who paid their enrollment fees by phone, through the district's online system, and in person. Based on the information provided by the district, we determined the percentage of enrollment fees paid in person at the Cashier's Office by dividing the number of fees paid in person by the total number of fees paid. We applied the percentage calculated to the net enrollment number (the number of students enrolled less non-resident students, special admit students, and BOGG fee waiver recipients) to determine the number of enrollment fees paid in person. We then included the number of refunds claimed for students who paid their enrollment fees and were subsequently granted a BOGG fee waiver.

Activity 5

For Activity 5, the district provided, and we accepted, the number of delinquent student accounts processed for FY 1998-99 through FY 2009-10. For FY 2010-11, the district's computer system automatically dropped students for non-payment; therefore, enrollment fees did not become delinquent.

Activity 6

For Activity 6, the district provided, and we accepted, the number of refunds processed for students who established fee waiver eligibility after paying their enrollment fees for FY 1998-99 through FY 2008-09. However, for FY 2009-10 and FY 2010-11, we noted a large increase in the number of refunds claimed. The district claimed 54,004 refunds for FY 2009-10 and 50,658 for FY 2010-11; therefore, we requested an explanation for the increase. The district indicated that there was a problem with the method used to pull the data for the two years in question. The district re-ran the queries and provided the correct number of refunds processed: 11,899 for FY 2009-10 and 10,837 for FY 2010-11.

Calculation of Multiplier Adjustment

The following table summarizes the claimed, allowable, and adjustment amounts for the multiplier for each reimbursable activity that took place at the district during the audit period for reimbursable Activities 1 through 6:

Reimbursable Activity	Claimed Multiplier	Allowable Multiplier	Adjusted Multiplier
1	2,288,486	2,228,868	(59,618)
2	1,736,390	931,057	(805,333)
3	2,288,486	2,228,868	(59,618)
4	1,736,390	931,057	(805,333)
5	101,676	98,617	(3,059)
6	156,000	74,074	(81,926)
Total	<u>8,307,428</u>	<u>6,492,541</u>	<u>(1,814,887)</u>

Calculation of Hours Adjustments

We multiplied the allowable minutes per reimbursable activity by the multiplier for the reimbursable activities (as identified in the table above) to determine the number of allowable hours for reimbursable Activities 1 through 6.

The following table summarizes the claimed and allowable hours by activity for the audit period:

Reimbursable Activity	Hours Claimed	Hours Allowable	Adjusted Hours
1	137,643.7	23,403.0	(114,240.7)
2	92,832.9	9,776.2	(83,056.7)
3	149,472.3	23,403.0	(126,069.3)
4	122,398.1	9,776.2	(112,621.9)
5	12,583.3	12,379.4	(203.9)
6	12,035.0	5,313.9	(6,721.1)
Total	<u>526,965.3</u>	<u>84,051.7</u>	<u>(442,913.6)</u>

Productive Hourly Rates

We determined that the district misstated the average productive hourly rates used for Activities 1 through 6. The district understated the average productive hourly rates for FY 1998-99 through FY 2000-01 and FY 2005-06 through FY 2007-08 and overstated the average productive hourly rates for FY 2003-04, FY2004-05, FY 2009-10, and FY 2010-11. As explained in Finding 11, we recalculated the annual productive hourly rates based on actual employee salaries and benefits and productive hours. As a result, we made minor adjustments to the claimed rates for the fiscal years noted above.

Calculation of Costs by Reimbursable Activities

We applied the audited productive hourly rates to the allowable hours per reimbursable activity. We determined that salaries and benefits totaling \$2,056,099 are allowable and \$10,639,097 are unallowable.

The following table summarizes the claimed and allowable salary and benefit costs by reimbursable activity for the audit period:

Reimbursable Activity	Salaries and Benefits Claimed	Salaries and Benefits Allowable	Audit Adjustment
1	\$ 3,371,318	\$ 587,155	\$ (2,784,163)
2	2,196,814	219,132	(1,977,682)
3	3,730,669	587,155	(3,143,514)
4	2,767,219	219,132	(2,548,087)
5	292,804	297,842	5,038
6	336,372	145,683	(190,689)
Total	\$ 12,695,196	\$ 2,056,099	\$ (10,639,097)

Contract Services

The district claimed \$177,674 in contract services costs under the Calculating and Collecting Enrollment Fee cost component. Based on our analysis of the supporting documentation provided by the district, the entire amount is unallowable. Costs are unallowable because the contract services provided to the district were for costs that are not reimbursable.

The supporting documentation provided by the district represented costs for an Admissions Application system that allows students to apply to one of the four district colleges. We requested an explanation from the district as to how the Admissions Application system relates to the calculation and collection of student enrollment fees. The district indicated that claimed costs do not directly relate to the calculation and collection of student enrollment fees.

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District's Response

The District claimed \$12,872,870 (\$12,695,196 in salaries and benefits and \$177,674 in contract services) for the calculating and collecting enrollment fees cost component during the audit period. The draft audit report states the \$2,056,099 (\$2,056,099 in salaries and benefits and no costs for contract services) is allowable and \$10,816,771 is unallowable. The cost of staff time to implement this mandate component is based on average time to implement each activity, multiplied by the average productive hourly rate for the relevant positions, then multiplied by the relevant workload statistic (e.g., the number of students paying an enrollment fee). The audit report adjusts all three components.

Average activity time

Using certification forms developed by the District's mandated cost consultant, dozens of District staff who implemented the mandate, estimated their individual times required to perform the reimbursable activities in nine different surveys conducted over the 13-year audit period. These individual times resulted in the average times per student enrollment payment transaction of 13.1 to 15.9 minutes for Activities 1 through 4 over the 13 years. The draft audit concludes that the good faith estimates reported by District staff are not acceptable source documentation of actual costs and rejects the time estimates for the four activities. Instead, the auditor observed at the cashier offices a total of 610 in-person payment transactions processed by a few district staff during an eight-day observation period which yielded a average time to perform all four activities of 2.52 minutes or 0.63 minutes per activity, with no distinction between the activities.

This 80% reduction in time allowed for in-person transactions is the first and largest source of the cost reduction. The auditor's observation sample size is not statistically adequate. The audited net enrollment is 2,228,868 over the 13 year period and each student typically enrolls for at least two semesters each year (or about 4.4 million enrollments), of which 610 student transactions were observed in 2012. For this, and other reasons, the auditor's observation process does not constitute a representative "time study" sample.

Workload multipliers

The average staff time for each activity is multiplied by a specific workload factor for each method. The draft audit report rejects the enrollment data reported by the District and substitutes the enrollment data the auditor obtained from the Chancellor's Office, and removes from the workload calculation the number of students who paid their enrollment fees online rather than in person. The workload multipliers for Activities 1-4 rely upon enrollment statistics with relevant adjustments.

For Activities 1 and 3, the audited amounts are based on a post-facto specific data query from the Chancellor's MIS database that eliminated specific elements (e.g., duplicated students by term and special admit students) not available in the usual course of business at the time of the claim preparation. These corrections made by the auditor are not disputed at this time.

For activities 2 and 4, after other corrections, the auditor deducted the number of students who paid their enrollment fees through the District's online system. A percentage was derived by dividing the number of fees paid in person by the total number of fees paid. This is the second major source of cost reduction. When this program became a mandate in FY 1998-99, there was no significant online activity, and so it was not factored into the annual claim workload statistics. The online transaction percentages further reduced the number of claimed transactions by 30-80% over the audit period. However, the audit findings do not replace the time lost from these eliminated transactions with any time to operate the online payment collection system. Thus, no costs are recognized for these transactions. This action is a matter of Controller policy and not subject to individual auditor discretion. This is a matter of statewide concern that can only be resolved by an incorrect reduction claim.

Productive Hourly Rates

Discussed at Finding 11.

Contract Services

The District claimed \$177,674 in contract services costs (XAP contract). The draft audit report disallows the entire cost without explanation. The District does not dispute this adjustment at this time.

SCO's Comments

The finding and recommendation remain unchanged.

The district's response addresses four specific issues in its response:

- Average activity time
- Workload multiplier
- Productive Hourly Rates
- Contract Services

We addressed our comments in the same order as presented.

Average activity time

The district stated that its "good faith" estimates were considered to be "unacceptable source documentation" by the SCO auditors. We agree. Good faith estimates are not actual costs documentation allowed by the adopted parameters and guidelines; they are an example of corroborating documentation, which is not a substitute for source documentation.

For the entire audit period, employees estimated the average time in minutes it took to perform the six reimbursable activities per student, per year, on certification forms developed by the district's mandated cost consultant. The forms were not prepared contemporaneously. The district did not provide any source documentation based on actual data to support the estimated time allowances.

During the audit, we assessed the reasonableness of the time estimates used by the district to claim costs for the audit period. We held discussions with various district representatives to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Cashier Offices collect enrollment fees from students and documented the average time increments spent by district staff to perform these activities based on our observations.

The district's certifications/estimates ranged from 13.1 to 16.2 minutes for Activities 1 through 4 over the 13 years under audit. Our observation supported that the time allowances claimed for these activities were overstated. For example, while the district claimed time to perform Activities 1 through 4 as high as an estimated 16.2 minutes, we observed an average time of 2.52 minutes for all four activities, or 0.63 minutes per activity.

The district stated that the auditor's observation sample size is not adequate. However, the auditors spent over a week at the district's office observing students paying a variety of fees owed to the district. From the 610 transactions documented during our observation, 57 involved the payment of enrollment fees encompassing Activities 1 through 4. Our observation provided actual source documentation for the reimbursable activities in question and a reasonable basis on which to calculate allowable costs.

We discussed our time study methodology with district staff in advance of its implementation. We solicited comments from staff members and encouraged them to participate in our observations. In addition, we shared our results with them and solicited comments. The district did not provide any comments on our time study plan, did not observe our time study, and did not offer any alternatives in support of actual costs incurred.

Workload multipliers

The district states that it does not dispute the corrections we made for Activities 1 and 3.

For the workload calculations of activities 2 and 4, the district disputes the SCO deducting the number of students who paid their enrollment fee online rather than in person for the last 12 of 13 fiscal years of the audit period without recognizing costs associated with operating the online payment collection system. The district also states that the costs associated with operating the online payment procedures was not considered as a matter of SCO policy. We disagree with both of these statements.

We allowed reimbursable costs that the district supported. We encouraged the district, throughout the course of fieldwork and during the November 21, 2013 exit conference, to provide support for any additional costs it incurred to comply with this mandate. During the exit conference, the district expressed its intent to provide documentation supporting the costs associated with operating and maintaining its online system. However, the district did not provide any documentation in support of such costs.

Productive Hourly Rates

The district addressed its comments related to productive hourly rates in Finding 11.

Contract Services

The district states that it does not dispute the adjustment at this time.

**FINDING 4—
Enrollment Fee
Waivers: Preparing
Policies and
Procedures Cost
Component –
unallowable one-time
costs**

The district claimed \$72,494 (\$66,602 in salaries and benefits and \$5,892 in contract services) during the audit period to prepare district policies and procedures for determining which students are eligible for a waiver of the enrollment fees. We found that \$8,083 (\$2,191 in salaries and benefits and \$5,892 in contract services) is allowable and \$64,411 in salaries and benefits is unallowable. Costs claimed are unallowable because the district did not provide documentation supporting that the costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding the waiver of enrollment fees.

The following table summarizes the claimed, allowable, and audit adjustment amounts by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and Benefits:			
2000-01	\$ 2,191	\$ 2,191	\$ —
2001-02	35	—	(35)
2002-03	9,200	—	(9,200)
2003-04	13,196	—	(13,196)
2004-05	7,490	—	(7,490)
2005-06	16,837	—	(16,837)
2006-07	686	—	(686)
2007-08	14,373	—	(14,373)
2008-09	1,623	—	(1,623)
2009-10	971	—	(971)
Subtotal, salaries and benefits	<u>66,602</u>	<u>2,191</u>	<u>(64,411)</u>
Contract Services:			
2005-06	<u>5,892</u>	<u>5,892</u>	<u>—</u>
Subtotal, contract services	<u>5,892</u>	<u>5,892</u>	<u>—</u>
Total	<u>\$ 72,494</u>	<u>\$ 8,083</u>	<u>\$ (64,411)</u>

As noted in Finding 1, the majority of hours claimed were estimates of time spent by an Application Systems Supervisor; 140 hours for FY 2002-03, 220 hours for FY 2003-04, and 171 hours for FY 2005-06. However, for costs to be reimbursable, the district must provide actual cost documentation supporting the extent to which it incurred costs for changes in district policies and procedures resulting from changes in state law.

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language.)

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

The parameters and guidelines (section IV.B.1.a–Reimbursable Activities, Enrollment Fee Waivers–One-Time Activities–Policies and Procedures) state that the preparation of policies and procedures is reimbursable as a one-time activity for determining which students are eligible for waiver of the enrollment fees. The CSM Final Staff Analysis for the Proposed Parameters and Guidelines dated January 13, 2006, for the one-time activity of adopting policies and procedures, states “. . . staff finds that updates to the policies and procedures would be subject to change in the community college district’s policy rather than state law, and would not be reimbursable.”

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The District claimed \$72,494 (\$66,602 in salaries and benefits and \$5,892 in contract services) during the audit period to prepare district policies and procedures for determining which students are eligible for a waiver of the enrollment fees. The audit report states that \$8,083 (\$2,191 in salaries and benefits and \$5,892 in contract services) is allowable and \$64,411 is unallowable because “the district did not provide documentation supporting that the costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding the waiver of enrollment fees.” About 70% of the disallowed staff time occurred before FY 2006-07, when the parameters and guidelines became available to district.

As in Finding 1, the parameters and guidelines state that preparing district policies and procedures is reimbursable as a one-time activity. There is no stated requirement to distinguish this work as either discretionary or a result of changes in state law as asserted by the draft audit report. Also, as in Finding 1, the audit report cites the Commission Final Staff Analysis for the parameters and guidelines for the premise, not stated in the parameters and guidelines, that updates to policies and procedures result from changes in local policy. This is a factual assumption not supported by the audit findings, and seemingly contrary to the numerous changes in state law as a result in changes in the enrollment fee amounts, among other things, over the years.

The audit report essentially disallows staff time for policies and procedures after the first instances of reported costs for these activities in FY 2000-01 as a duplication of one-time costs without regard to subsequent changes made to the policies and procedures.

SCO’s Comments

The finding and recommendation remain unchanged.

The district states that approximately 70% of the disallowed staff time occurred before FY 2006-07 (first 8 of the 13 fiscal-year audit period), when the parameters and guidelines became available. We agree. Refer to the SCO’s comments in Finding 1 for a discussion related to documentation requirements.

The district states that the SCO essentially disallowed “staff time for policies and procedures after the first instances of reported costs for these activities in FY 2000-01 as a duplication of one-time costs without regard to subsequent changes made to the policies and procedures.” We disagree. The district further states that, “There should be no blanket disallowance of staff time for persons whose name appears more than once, whether a new or existing employee, without a determination of whether the subject matter of the training was a duplication of previously claimed training activities.” We agree.

For the entire audit period, employees estimated the time it took to perform the one-time activity of preparing policies and procedures for determining which students are eligible for a waiver of the enrollment fees, generally per year, on certification forms developed by the district’s mandated cost consultant. These forms were not prepared contemporaneously. As noted in the finding, the majority of the hours determined to be unallowable were (annual) estimates of time spent by the same Application Systems Supervisor referenced in Finding 1: 140 hours for FY 2002-03, 220 hours for FY 2003-04, and 171 hours for FY 2005-06.

For the unallowable costs, the district did not support costs claimed with actual cost documentation and did not provide documentation supporting the nature of costs incurred. In addition, the district provided no support that the costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding enrollment fee waivers. We allowed reimbursable costs that the district supported.

We encouraged the district—throughout the course of fieldwork and at status meetings held on September 13, 2013, and December 20, 2013, and during the November 21, 2013 exit conference—to provide support for any additional costs incurred to comply with this mandate. However, the district did not provide any documentation in support of such costs.

**FINDING 5—
Enrollment Fee
Waiver: Staff
Training Cost
Component –
unallowable one-time
costs**

The district claimed \$48,447 for the one-time activity of staff training (once per employee) for district staff that implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee. We found that \$120,493 is allowable. Allowable costs exceed claimed costs by \$72,046. The district did not claim the trainers’ hours and claimed training for some district staff more than once.

The district claimed estimated costs and did not provide any actual costs data or documentation related to the nature and length of training, or which district employees attended the training.

The following table summarizes the claimed, allowable, and audit adjustment amounts per fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and Benefits:			
2000-01	\$ 1,581	\$ 4,132	\$ 2,551
2001-02	4,085	3,111	(974)
2002-03	1,879	—	(1,879)
2003-04	3,030	316	(2,714)
2004-05	4,783	2,880	(1,903)
2005-06	9,695	19,742	10,047
2006-07	7,681	40,966	33,285
2007-08	14,750	48,713	33,963
2008-09	608	633	25
2010-11	355	—	(355)
Total, salaries and benefits	<u>\$ 48,447</u>	<u>\$ 120,493</u>	<u>\$ 72,046</u>

For FY 2000-01, FY 2001-02, and FY 2003-04 through FY 2008-09, the district provided estimates of time for one staff member who performed staff training and the productive hourly rate support the costs were allowable because they appeared to be reasonable based on the amount of training provided. Therefore, we calculated the allowable trainers' costs.

For FY 2001-02 through FY 2003-04, FY 2004-05, FY 2007-08, FY 2008-09, and FY 2010-11, the district claimed costs for training the same staff more than once. For this component, training costs are allowable one-time per employee. Therefore, the costs claimed are unallowable.

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language).

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

The parameters and guidelines (section IV.B.1.b–Reimbursable Activities–Enrollment Fee Waivers–One-Time Activities–Staff Training (one time per employee) state that staff training is reimbursable as a one-time cost per employee for training district staff who implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee. Consistent with the Final Staff Analysis, training existing staff for changes in the community college district's policies and procedures is not reimbursable.

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District's Response

The District claimed \$48,447 for the one-time activity of staff training for District staff that implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee. The audit determined that \$120,493 is allowable. Amounts were disallowed for five fiscal years for trainee staff claimed more than once by name, or for hours claimed without documentation related to the nature of the training, the length of the training, and which district employees attended the training. About 95% of the disallowed staff time (\$7,825) occurred before FY 2006-07, when the parameters and guidelines became available to district.

As in Finding 2, the audit report cites the parameters and guideline's general documentation standards, the requirement that claimed costs to be supported by source documents created at or near the same time the actual cost was incurred and that training existing staff for changes in the community college district's policies and procedures is not reimbursable. Also, as in Finding 2, the draft audit report disallows claimed training time for employees who were claimed more than once during the audit period. There should be no blanket disallowance of staff time for persons whose name appears more than once, whether a new or existing employee, without a determination of whether the subject matter of the training was a duplication of previously claimed training activities.

SCO's Comments

The finding and recommendation remain unchanged.

The district states that approximately 95% of the disallowed staff time occurred before FY 2006-07 (first 8 of the 13 fiscal-year audit period), when parameters and guidelines became available. We agree. Refer to the SCO's comments in Finding 1 for a discussion related to documentation requirements.

The district states that costs were determined to be unallowable because training time for employees were claimed more than once during the audit period. We disagree. Training costs were determined to be unallowable because the district estimated time spent for the entire audit period and did not support the nature of the training provided. Employees estimated the time it took to perform the one-time activity of training district staff who implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee, generally per year, on certification forms developed by the district's mandated cost consultant. These forms were not prepared contemporaneously.

The district also states that we should consider that the content of the training would change over the span of years; thus, new content would be a new one-time activity for any repeat staff members. The district further states, "There should be no blanket disallowance of staff time for persons whose name appears more than once, whether a new or existing employee, without a determination of whether the subject matter of the training was duplicate of previously claimed training activities." We agree with both of these statements. We determined allowable costs

based on documentation the district provided in support of claimed costs. We allowed reimbursable costs based on documentation the district provided supporting the nature of the training, the length of the training, and the employees who attended the training.

**FINDING 6—
Enrollment Fee
Waivers: Adopting
Procedures,
Recording and
Maintaining Records
cost component –
unallowable ongoing
costs**

The district claimed \$1,026,104 (\$1,015,681 in salaries and benefits and \$10,423 in contract services costs) related to adopting procedures and recording and maintaining records related to enrollment fee waivers. We found that \$113,085 (\$102,662 in salaries and benefits and \$10,423 in contract services) is allowable and \$913,019 in salaries and benefits is unallowable. The costs are unallowable because they were based on estimates of time to perform the reimbursable activities. In addition, staff hours claimed under this component were misclassified and should have been claimed under the Waiving Student Fees and Training cost components. The allowable costs related to waiving student fee activities are addressed in Finding 7 and the allowable costs related to training are addressed in Finding 5.

This reimbursable cost component captures costs incurred for “Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations” and “Recording and maintaining records that document all of the financial assistance provided to students for the waiver of enrollment fees. . . .” Allowable costs for salaries and benefits were based on documentation the district provided and our discussions with district staff.

The following table summarizes the claimed, allowable, and audit adjustment amounts related to adopting procedures and recording and maintaining records related to enrollment fee waiver costs:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and Benefits:			
1999-2000	\$ 50,620	\$ 5,707	\$ (44,913)
2000-01	31,463	6,323	(25,140)
2001-02	109,338	6,526	(102,812)
2002-03	119,041	6,903	(112,138)
2003-04	155,603	7,167	(148,436)
2004-05	91,790	8,990	(82,800)
2005-06	134,190	9,514	(124,676)
2006-07	14,570	9,930	(4,640)
2007-08	301,717	11,192	(290,525)
2008-09	5,223	10,353	5,130
2009-10	706	10,112	9,406
2010-11	1,420	9,945	8,525
Subtotal, salaries and benefits	<u>1,015,681</u>	<u>102,662</u>	<u>(913,019)</u>
Contract Services:			
2005-06	<u>10,423</u>	<u>10,423</u>	<u>—</u>
Subtotal, contract services	<u>10,423</u>	<u>10,423</u>	<u>—</u>
Total	<u><u>\$ 1,026,104</u></u>	<u><u>\$ 113,085</u></u>	<u><u>\$ (913,019)</u></u>

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language.)

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

The parameters and guidelines (section IV.B.2.a–Reimbursable Activities–Enrollment Fee Waivers–Ongoing Activities) allow ongoing activities related to the following:

Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation that will enable an independent determination regarding accuracy of the districts certification of need for financial assistance.

Recording and maintaining records that document all of the financial assistance provided to students for the waiver of enrollment fees in a manner that will enable an independent determination of the district’s certification of the need for financial assistance.

Salaries and Benefits

Claimed hours

For the entire audit period, staff completed Time Record Sheets estimating the hours spent to perform the reimbursable activities ranging from 11 hours to 8,441 hours per year. All hours claimed for this component are based on estimates of time.

During our analysis of this component, we noted large variations in the number of staff and the number of hours claimed per fiscal year. Also, we noted that various employee classifications were claimed. We reviewed the Time Record Sheets submitted as supporting documentation, and in the description of the hours claimed we noted that the staff time was related to waiving student fee, Activities 7 through 12, and training. The allowable costs related to waiving student fee, Activities 7 through 12, are addressed in Finding 7. The allowable costs related to training are addressed in Finding 5.

Staff’s Involvement in the Waiving Student Fee Activities

A total of six staff members at the district office were interviewed to gain a better understanding of their duties and responsibilities and their involvement with adopting procedures and recording and maintaining records related to the Enrollment Fee Waiver cost component for the hours claimed.

During the interviews, staff members explained that they perform the following activities related to BOGG fee waivers: receive and process applications, input student application information into the district's computer system, verify applications, send letters to students who submitted incomplete applications, answer student questions (in person, via telephone, or by email), and train new staff. As previously noted, the hours estimated in the Time Record Sheets are for staff performing waiving student fee Activities 7 through 12 and training.

Allowable hours

In addition to the information provided by six staff members we interviewed, a district Programmer explained that his duties include programming computers to perform a specific function within the specifications requested by the district. He explained that, for the audit period, the cash register system took nearly 100% of his time; however, he estimated that approximately 5% of his time was spent on BOGG fee waiver-related functions. Based on the information provided by the Programmer and additional information provided by the district for FY 2005-06, we determined that 48 hours claimed for FY 2005-06 were reasonable.

A Financial Aid Officer indicated during her interview that, during the audit period, she worked on customizing and making changes to the BOGG fee waiver applications and instructions for completing the application. She also indicated that each college makes its own changes to the applications and instructions. She estimated that she spent approximately 64 hours per school year on customizing and making changes to the BOGG fee waiver application and instructions. Based on information provided by the Financial Aid Officer during the interview, we determined that the 64 hours per fiscal year claimed were reasonable.

Another Financial Aid Officer explained, during her interview, that once a year she meets with six to seven different staff members and updates the Financial Aid Assistance Handbook. She estimated spending one hour to update BOGG fee waiver information in the Financial Aid Assistance Handbook. Based on additional information provided by the Financial Aid Officer, we determined one hour per staff per fiscal year spent on mandated activities to be reasonable.

The following table summarizes the claimed and allowable hours based on the information provided by the district for the activities related to adopting procedures, recording, and maintaining records related to enrollment fee waivers:

Fiscal Year	Total Claimed		Allowable Hours			
	Total Number of Staff	Total Claimed Hours	Computer System Functions	Customizing/Changes to BOGG Application	Financial Aid Assistance Handbook	Total Hours
1999-2000	2	1,387	48	192	—	240
2000-01	3	776	48	192	—	240
2001-02	7	2,309	48	192	1	241
2002-03	9	2,339	48	192	1	241
2003-04	9	2,784	48	192	1	241
2004-05	11	1,598	48	256	1	305
2005-06	4	2,048	48	256	—	304
2006-07	8	986	48	256	—	304
2007-08	43	8,441	48	256	1	305
2008-09	4	93	48	256	—	304
2009-10	1	11	48	256	—	304
2010-11	1	24	48	256	—	304

We based allowable hours for the audit period on the additional information provided by the district as follows:

- For FY 1999-2000 through FY 2010-11, 48 hours for a Programmer,
- For FY 1999-2000 through FY 2003-04, 192 hours (64 hours per college multiplied by 3 colleges) and for FY 2004-05 through FY 2010-11, 256 hours (64 hours per college multiplied by 4 colleges) for Customizing/Changes to BOGG Fee Waiver Applications,
- For FY 2001-02 through FY 2004-05 and FY 2007-08, 1 hour for updating the BOGG fee waiver section in the district’s Financial Aid Assistance Handbook

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The District claimed \$1,026,104 (\$1,015,681 in salaries and benefits and \$10,423 in contract services costs) related to adopting procedures, recording, and maintaining records related to enrollment fee waivers. The audit report states that \$113,085 (\$102,662 in salaries and benefits and \$10,423 in contract services) is allowable and \$913,019 in salaries and benefits are unallowable because they were based on estimates of time to perform the reimbursable activities. The auditor also concluded that some staff hours claimed under this component were for waiving student fees and for training, but those amounts are not specifically identified in either this finding where the hours are excluded or the findings where those hours may have been transferred. About 70% of the disallowed staff time (\$936,080) occurred before FY 2006-07, when the parameters and guidelines became available to district.

As in previous findings, the audit report cites the parameters and guideline's general documentation standards and the requirement that claimed costs be supported by source documents created at or near the same time the actual cost was incurred. The audit report states that the allowable costs for salaries and benefits were based on six staff interviews. These interviews resulted in allowable time for three functions: 48 hours per year for the computer system function; 192 to 256 hours per year for changes to the BOGG application process which includes 64 hours per staff for each of the four colleges; and, 5 hours for all years to update the BOGG fee waiver section in the Financial Aid Assistance Handbook. It is anticipated that more staff time would have been approved by the auditor if more of the staff who claimed time over the long audit period were still available for personal interview.

The interviews apparently also resulted in the characterization of some of all of the remainder of the time as either training or the ongoing waiver process. This of course highlights the problem in all mandate reporting that each individual must interpret the activity descriptions on the forms used to collect staff time. In the case of the forms we used that were prepared by our mandate consultant, the activity descriptions are taken from the parameters and guidelines language and not modified, even where it is vague or confusing, since any modification has been criticized over the years by state agency personnel as soliciting a preferred response. Thus, as is often the case, the parameters and guidelines language is inadequate for the task of cost accounting, but since the Controller provides no forms for this purpose, and the state agencies criticize any interpretation by the claimants of the parameters and guidelines language, this problem will persist. Given these constraints, it is the District's position that, absent information to the contrary, the individual staff person's interpretation of the parameters and guidelines language, since they implement the mandate program, is more valid than a post facto interpretation by an auditor, who does not implement the mandate program.

SCO's Comments

The finding and recommendation remain unchanged.

The district states that about 70% of the disallowed staff time occurred before FY 2006-07 (first 8 of the 13 fiscal-year audit period), when the parameters and guidelines became available. We agree. Refer to the SCO's comments in Finding 1 for a discussion related to documentation requirements.

For the entire audit period, employees estimated the time it took to perform the activities of adopting procedures, and recording and maintaining records related to enrollment fee waivers, generally per year, on certification forms developed by the district's mandated cost consultant. These forms were not prepared contemporaneously. The hours noted on the time record sheets ranged from 11 to 8,441 hours per year. During our analysis of this component, we noted large variations in the number of staff and hours claimed and staff classifications per fiscal year.

We met with district staff on March 15, 2013 to discuss setting up interviews with district personnel to get a better understanding of their

involvement with the mandated activities. During those interviews, district personnel indicated that they were not given direction as to how to fill out the form. Specifically, they were not told that they had to itemize their time spent on a specific activity.

The district stated that verbiage in the forms used by district personnel were “not modified, even where it is vague or confusing, since any modification has been criticized over the years by state agency personnel as soliciting a preferred response.” The issue is not the forms that were used by district personnel. The issue is that time recorded on these forms were misclassified, based on estimates, and unreasonable.

**FINDING 7—
Enrollment Fee
Waivers: Waiving
Student Fees Cost
Component –
unallowable ongoing
costs**

The district claimed \$5,045,462 (\$5,034,972 in salaries and benefits and \$10,490 in contract services) for the Waiving Student Fees cost component during the audit period in accordance with Education Code section 76300, subdivisions (g) and (h), and waiving student fees for students who apply for and are eligible for BOGG fee waivers. We found that \$3,381,758 (\$3,371,268 in salaries and benefits and \$10,490 in contract services) is allowable and \$1,663,704 in salaries and benefits is unallowable. The costs are unallowable because the district estimated the amount of time required to perform the reimbursable activities. In addition, we noted variations in the number of students used in the district’s calculations based on data the district reported to the CCCCO. We also made adjustments to the average productive hourly rates used in the district’s claims.

The following table summarizes the overstated ongoing costs related to calculating and collecting enrollment fees by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and Benefits:			
1999-2000	\$ 183,689	\$ 82,171	\$ (101,518)
2000-01	209,628	95,937	(113,691)
2001-02	244,415	115,166	(129,249)
2002-03	276,095	192,194	(83,901)
2003-04	389,962	225,496	(164,466)
2004-05	428,481	250,256	(178,225)
2005-06	444,612	306,578	(138,034)
2006-07	441,101	359,823	(81,278)
2007-08	639,953	448,716	(191,237)
2008-09	479,298	409,306	(69,992)
2009-10	509,096	443,738	(65,358)
2010-11	788,642	441,887	(346,755)
Total, salaries and benefits	5,034,972	3,371,268	(1,663,704)
Contract Services:			
2006-07	2,000	2,000	—
2007-08	2,060	2,060	—
2008-09	2,101	2,101	—
2009-10	2,143	2,143	—
2010-11	2,186	2,186	—
Subtotal, contract services	10,490	10,490	—

Total	<u>\$ 5,045,462</u>	<u>\$ 3,381,758</u>	<u>\$(1,663,704)</u>
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The parameters and guidelines (section IV.B.2.b – Reimbursable Activities – Enrollment Fee Waivers – Ongoing Activities) allow the following ongoing reimbursable activities:

- a. Waiving student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h.) waiving fees for students who apply for and are eligible for BOG fee waiver (Cal. Code Regs., tit. 5, §§ 58612, 58613, & 58620).
- i. Answering student’s questions regarding enrollment fee waivers or referring them to the appropriate person for an answer. **(Activity 7)**
- ii. Receiving of waiver applications from students by mail, fax, computer online access, or in person, or in the form of eligibility information processed by the financial aid office. **(Activity 8)**
- iii. Evaluating each application and verification documents (dependency status, household size and income, SSI and TANF/CalWorks, etc.) for compliance with eligibility standards utilizing information provided by the student, from the student financial aid records (e.g., Free Application for Federal Student Aid (FAFSA), and other records. **(Activity 9)**
- iv. In the case of an incomplete application or incomplete documentation, notify the student of the additional required information and how to obtain that information. Hold student application and documentation in suspense file until all information is received. **(Activity 10)**
- v. In the case of an approved application, copy all documentation and file the information for further review or audit. Entering the approved application information into district records and / or notifying other personnel performing other parts of the process (e.g., cashier’s office). Providing the student with proof of eligibility or an award letter, and file paper documents in the annual file. **(Activity 11)**
- vi. In the case of a denied application, reviewing an evaluating additional information and documentation provided by the student if the denial is appealed by the student. Provide written notification to the student of the results of the appeal or any change in eligibility status. **(Activity 12)**

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents created at or near the same time that actual costs were incurred for the event or activity in question. (See Finding 1 for the specific language.)

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) state that salaries and benefits are reimbursable if claimants “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

Salaries and Benefits

The district claimed salaries and benefits during the audit period to waive student fees allowed by Education Code section 76300, subdivisions (g) and (h) and to waive fees for students who apply for and are eligible for BOGG fee waivers. For FY 1999-2000 through FY 2010-11, the district claimed salaries and benefits for the six reimbursable activities under the Waiving Student Fees cost component using time allowances developed, through the use of employees' annual survey forms, from estimated time it took staff to complete various activities. For the entire audit period, employees estimated, on certification forms developed by the district's mandated cost consultant, the average time in minutes it took them to perform the six reimbursable activities per student per year. Also, for the entire audit period, the district did not provide any source documentation that was based on actual data to support the estimated time allowances.

As the mandated activities took place at the district during the audit, we assessed whether or not the time estimates cited by district staff for FY 1999-2000 through FY 2010-11 were reasonable. We held discussions with various district representatives in order to determine the procedures that district staff followed when performing the reimbursable activities. We observed district staff in the Financial Aid Offices process students' BOGG fee waiver applications, and documented the average time increments spent by district staff to perform these activities.

Activity 7: Answering Student Questions

We observed staff at the front counter of the Financial Aid Offices answering BOGG fee waiver questions from students. The district staff members indicated that students can also call or e-mail the Financial Aid Offices with questions.

Activity 8: Receiving Enrollment Fee Waiver Applications

We observed staff at the front counter of the Financial Aid Offices receiving hard copy BOGG fee waiver applications from students. In addition, we observed staff at the back counter of the Financial Aid Offices receiving student information from the FAFSA (Free Application for Federal Student Aid) system to process and grant BOGG fee waivers. The district colleges may receive BOGG fee waiver applications through e-mail, fax, regular mail, or through the district's online process.

Activity 9: Evaluating waiver applications and verifying documentation

We observed staff at the front counter of the Financial Aid Offices manually evaluating hard copy BOGG fee waiver applications and supporting documentation for eligibility. Staff reviewed the applications and immediately notified students if information was missing or if the applications were approved or denied. In addition, we observed staff at the back counter of the Financial Aid Offices re-evaluating the hard copy BOGG fee waiver applications that were already processed at the front counter.

Activity 10: Notifying students of additional required information, in the case of an incomplete application

We observed district staff at the back counter of the Financial Aid Offices contacting students, by phone or by regular mail, regarding their incomplete BOGG fee waiver applications. Staff may also contact students by e-mail to indicate why applications are incomplete.

Activity 11: Copying all documentation and file the information for further review, in the case of an approved application

We observed staff at the front counter of the Financial Aid Offices manually entering the approved BOGG fee waiver application information into the district's computer system during the evaluation process. For approved BOGG fee waiver applications, we observed staff post the BOGG fee waiver on the student's account and provide a written receipt for proof of eligibility. For approved BOGG fee waivers granted through the district's online system, the system automatically generates and sends an award letter e-mail.

In addition, we observed staff at the back counter of the Financial Aid Offices process paperless BOGG fee waivers using the student's information provided by the FAFSA. Staff performs a batch process report with potential BOGG fee waiver eligible students depending on the unmet need. The computer system automatically selects and sends an award acceptance letter e-mail to the students eligible for a BOGG fee waiver. Staff also manually scan and file paper BOGG fee waiver applications.

Activity 12–Appealing a denied BOGG fee waiver application

District staff members indicated that they do not have an appeal process for denied BOGG fee waiver applications. The BOGG fee waiver applications are denied based on income, household size, and residency. Students denied a BOGG fee waiver are provided an explanation for the denial and advised to complete the FAFSA for potential eligibility. During fieldwork, district staff did not review any appeals for denied BOGG fee waivers.

Activities 7 through 11 Time Increments

Using certification forms developed by the district's mandated cost consultant, district employees estimated the time required to perform reimbursable Activities 7 through 11. Based on these certifications, the district developed time allowances per student for the audit period ranging from 17.6 minutes to 27.8 minutes (as shown in the table on page 38). Based on our observations, we determined that the time allowances claimed for these activities for these years were overstated.

We held discussions with various district representatives during the audit in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff at the front counter of the Financial Aid Offices performing the reimbursable activities and other, non-mandated activities. Also, we observed staff at the back counter of the Financial Aid Offices performing reimbursable activities. We documented the average time increments spent by district staff to perform the reimbursable activities. Over several days, we observed enrollment fee waiver transactions processed by district staff encompassing Activities 7 through 11.

For front-counter Activities 7 through 11, we observed 121 related to BOGG fee waiver inquiries, totaling 511 minutes. The average time to perform the front-counter activities is 4.23 minutes. For back-counter Activity 9, we observed staff re-evaluate 153 paper BOGG fee waiver applications, totaling 156 minutes. The average time to re-evaluate a hard copy BOGG fee waiver is 1.02 minutes. For back-counter Activity 10, we observed staff contact 20 students to notify them about the additional required information, totaling 50 minutes. Based on our observations, we determined that it takes staff approximately 2.52 minutes to notify students of additional required information in the case of an incomplete application. For back-counter Activity 11, we observed staff award 294 paperless BOGG fee waivers through the FAFSA system, totaling 95 minutes. The average time to award a paperless BOGG fee waiver through the FAFSA system is 0.32 minutes. Also, we observed staff scan 42 paper BOGG fee waiver applications, totaling 42 minutes. The average time to scan a hard copy BOGG fee waiver application is 1 minute. In addition, we observed staff file 160 paper BOGG fee waiver applications totaling 25 minutes. The average time to file a paper BOGG fee waiver application is 0.15 minutes. Based on our observations, we determined it takes staff approximately 9.25 minutes to perform Activities 7 through 11.

Activity 12 Time Increments

District employees estimated the time required to perform reimbursable Activity 12 by using certification forms developed by the district's mandated cost consultants. Based on these certifications, the district developed time allowances, per student for the audit period, of 2.9 minutes to 6.7 minutes (as shown in the following table).

Calculation of Time Increments Adjustment

The following table summarizes the minutes claimed and allowable for reimbursable Activities 7 through 12.

Fiscal Year	Claimed						Total Activities 1-11	Appeals for Denied Waiver
	Reimbursable Activity							
	7	8	9	10	11	12		
	Answering Questions	Receiving Applications	Evaluating Applications	Incomplete Applications	Approved Applications			
1999-2000	4.5	3.9	3.8	5.6	5.6	23.4	6.2	
2000-01	4.3	3.7	4.0	5.4	5.5	22.9	6.3	
2001-02	4.0	3.6	3.9	5.3	5.5	22.3	6.3	
2002-03	4.2	3.4	4.0	5.0	7.7	24.3	5.9	
2003-04	4.3	4.3	4.6	6.3	8.3	27.8	6.6	
2004-05	4.5	3.9	4.8	6.3	7.1	26.6	6.7	
2005-06	4.0	3.5	4.0	5.2	6.8	23.5	6.1	
2006-07	4.0	3.5	4.0	5.2	6.8	23.5	6.1	
2007-08	4.0	3.5	4.0	5.2	6.8	23.5	6.1	
2008-09	2.9	2.3	5.3	3.0	4.3	17.8	2.9	
2009-10	3.2	2.5	4.8	3.6	3.5	17.6	3.0	
2010-11	4.9	5.2	4.6	4.9	5.2	24.8	5.3	

Fiscal Year	Allowable						Total Activities 1-11	Appeals for Denied Waiver
	Reimbursable Activity							
	7	8	9	10	11	12		
	Answering Questions	Receiving Applications	Evaluating Applications	Incomplete Applications	Approved Applications			
1999-2000	1.85	1.85	1.85	1.85	1.85	9.25	—	
2000-01	1.85	1.85	1.85	1.85	1.85	9.25	—	
2001-02	1.85	1.85	1.85	1.85	1.85	9.25	—	
2002-03	1.85	1.85	1.85	1.85	1.85	9.25	—	
2003-04	1.85	1.85	1.85	1.85	1.85	9.25	—	
2004-05	1.85	1.85	1.85	1.85	1.85	9.25	—	
2005-06	1.85	1.85	1.85	1.85	1.85	9.25	—	
2006-07	1.85	1.85	1.85	1.85	1.85	9.25	—	
2007-08	1.85	1.85	1.85	1.85	1.85	9.25	—	
2008-09	1.85	1.85	1.85	1.85	1.85	9.25	—	
2009-10	1.85	1.85	1.85	1.85	1.85	9.25	—	
2010-11	1.85	1.85	1.85	1.85	1.85	9.25	—	

Multiplier Calculation

For Activities 7 through 12, the district claimed costs by multiplying the number of students who received a BOGG fee waiver by a uniform time allowance and an annual average productive hourly rate. For Activities 7, 8, and 9, the district used the number of students who received a BOGG fee waiver plus the number of incomplete BOGG fee waiver applications as the multiplier. For Activity 10, the district used the number of incomplete BOGG fee waiver applications. For Activity 11, the district used the number of students who received a BOGG fee waiver. For Activity 12, the district used the same number of incomplete applications for all fiscal years of the audit period.

For Activities 7 through 10, we applied the time required to perform the reimbursable activities by the number of students who received BOGG fee waivers, according to statistics provided by the CCCCCO. Using data that the district reported, the CCCCCO identified the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F. For Activities 7 through 10, we adjusted the CCCCCO information by including the number of incomplete application claimed by the district.

For Activity 10, (incomplete BOGG fee waiver applications), we applied the time increments to the number of incomplete BOGG fee waiver applications claimed by the district and included the number of students who received BOGG fee waivers, according to statistics provided by the CCCCCO. This represents the maximum number of incomplete applications that may have been processed by district staff throughout the year.

For Activity 11 (approved BOGG fee waiver applications), we applied the time required to perform the reimbursable activity by the number of students who received BOGG fee waivers, according to statistics provided by the CCCCCO. Using data that the district reported, the CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F.

For Activity 12 (appeals of denied BOGG fee waiver applications), we did not apply any time increments to the number of student appeals of denied BOGG fee waiver applications claimed by the district. Staff indicated that the district does not have an appeal process for denied BOGG fee waivers and we did not observe staff perform this activity.

Calculation of Multiplier Adjustment—Number of BOGG Fee Waivers

The following table summarizes the claimed and allowable, and adjustment amounts for the multiplier for each reimbursable activity that took place at the district for reimbursable Activities 7 through 12:

<u>Reimbursable Activity</u>	<u>Claimed Multiplier</u>	<u>Allowable Multiplier</u>	<u>Adjustment Multiplier</u>
7	585,517	777,558	192,041
8	585,517	777,558	192,041
9	585,517	777,558	192,041
10	55,234	777,558	722,324
11	530,283	722,324	192,041
12	55,234	—	(55,234)
Total	<u>2,397,302</u>	<u>3,832,556</u>	<u>1,435,254</u>

Calculation of Hours Adjustments

We multiplied the allowable minutes per reimbursable activity by the multiplier for the reimbursable activities (as identified in the table above) to determine the number of allowable hours for reimbursable Activities 7 through 12.

The following table summarizes the claimed and allowable hours by reimbursable activity for the audit period:

<u>Reimbursable Activity</u>	<u>Hours Claimed</u>	<u>Hours Allowable</u>	<u>Adjusted Hours</u>
7	39,200.5	23,974.8	(15,225.7)
8	35,207.9	23,974.8	(11,233.1)
9	43,198.3	23,974.8	(19,223.5)
10	4,707.5	23,974.8	19,267.3
11	51,200.2	22,271.9	(28,928.3)
12	5,135.0	—	(5,135.0)
Total	<u>178,649.4</u>	<u>118,171.1</u>	<u>(60,478.3)</u>

Productive Hourly Rates

For Activities 7 through 12, we made minor adjustments to the average productive hourly rates to 11 of the 13 years claimed. The district overstated the average productive hourly rates for FY 1999-00 through FY 2005-06 and FY 2010-11 and understated the average productive hourly rate for FY 2006-07 and FY 2007-08. As explained in Finding 11, we recalculated the annual productive hourly rate based on actual employees involved in waiving student enrollment fee activities and made minor adjustments to the claimed rates.

Calculation of Costs by Reimbursable Activities

We applied the audited productive hourly rates to the allowable hours per reimbursable activity. We determined that salaries and benefits totaling \$3,371,268 are allowable and \$1,663,704 are unallowable.

The following table summarizes the claimed and allowable salary and benefit costs by reimbursable activity for the audit period:

<u>Reimbursable Activity</u>	<u>Salaries and Benefits Claimed</u>	<u>Salaries and Benefits Allowable</u>	<u>Audit Adjustment</u>
7	\$ 1,099,923	\$ 683,359	\$ (416,564)
8	984,350	683,359	(300,991)
9	1,219,800	683,359	(536,441)
10	127,366	683,359	555,993
11	1,464,583	637,832	(826,751)
12	138,950	—	(138,950)
Total	<u>\$ 5,034,972</u>	<u>\$ 3,371,268</u>	<u>\$ (1,663,704)</u>

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District's Response

The District claimed \$5,045,462 (\$5,034,972 in salaries and benefits and \$10,490 in contract services) for waiving enrollment fees for students who are eligible for BOGG fee waivers. The audit report determined that \$3,381,758 (\$3,371,268 in salaries and benefits and \$10,490 in contract services) is allowable and \$1,663,704 is unallowable. The cost of staff time to implement this mandate component is based on average time to implement each activity, multiplied by the average productive hourly rate for the relevant positions, then multiplied by the relevant workload statistic. The audit report adjusts all three components.

Average activity time

Activities 7 through 11: Using certification forms developed by the District's mandated cost consultant, dozens of District staff who implement the mandate in ten different surveys conducted over the 12-year audit period (FY 1998-99 excluded), each person estimated their individual times required to perform the reimbursable activities. These individual times resulted in the average times per student transaction of 17.6 to 27.8 minutes for Activities 7 through 11 over the 12 years. The draft audit concludes that the good faith estimates reported by District staff are not acceptable source documentation of actual costs and rejects the time estimates for the five activities.

Instead, the auditor observed District staff in the financial aid offices process a total of 121 in-person inquiries regarding BOGG waiver applications, 153 paper application re-evaluations, and 294 paperless applications during an observation period of a few days which yielded a average time to perform all five activities of 9.25 minutes or 1.85 minutes per activity. This 50% to 80% reduction in time allowed for in-person transactions is the first and largest source of the cost reduction. The auditor's observation sample size is not statistically adequate. The audited number of waivers is 777,558 over the 12-year period, of which less than 600 student transactions were observed in 2012. For this, and other reasons, the auditor's observation process does not constitute a representative "time study" sample.

Workload multipliers

The average staff time for each activity is multiplied by a specific workload factor for each activity to determine the claimable staff time. Both the District and the auditor used this method. For Activities 7 through 11, the draft audit report replaces the workload data reported by the District with BOGG award data obtained from the Chancellor's Office and removes the number of unduplicated BOGG recipients. These corrections made by the auditor are not disputed at this time.

Productive hourly rates

Discussed at Finding 11.

SCO's Comments

The dollar finding and recommendation remain unchanged.

The district's response addresses four specific issues in its response:

- Average Activity Time
- Workload multipliers
- Productive hourly rates

We will address our comments in the same order as presented.

Average Activity Time

The district claims that our sample size is not statistically adequate, stating that the "audited number of waivers is 777,558 over the 12-year audit period, of which less than 600 student transactions were observed in 2012." Our sample provided actual source documentation for the reimbursable activities and provided a reasonable basis on which to calculate allowable costs, whereas the information provided by the district was based on estimates.

For the entire audit period, employees estimated the average time in minutes it took to perform Activities 7 through 11, generally per year, on certification forms developed by the district's mandated cost consultant. The district estimates ranged from 17.6 to 27.8 minutes per student per year.

During the audit, we assessed the reasonableness of the time estimates used by the district to claim costs for the audit period. We held discussions with various district representatives to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Financial Aid Offices process BOGG waiver applications and we documented the average time increments spent by district staff to perform these activities based on our observations. Our observation showed that it took the staff members an average time of 9.25 minutes for Activities 7 through 11, or an average of 1.85 minutes for each of the five activities.

We discussed our time study methodology with district staff in advance of its implementation. We solicited comments from staff members and encouraged them to participate in our observations. In addition, we shared our results with them and solicited comments. The district did not provide any comments on our time study plan, did not observe our time study, and did not offer any alternatives in support of actual costs incurred.

Workload Multiplier

The district states that it does not dispute the workload multiplier calculations at this time.

Productive Hourly Rates

The district addressed its comments related to productive hourly rates in Finding 11.

**FINDING 8—
Enrollment Fee
Waivers: Reporting
to the CCCCCO the
number of and
amounts provided for
BOGG fee waivers
cost component-
unallowable ongoing
costs**

The district claimed \$143,357 in salaries and benefits during the audit period related to reporting to the CCCCCO the number of, and amounts provided for, BOGG fee waivers. We found that \$31,812 is allowable and \$111,545 is unallowable. The costs are unallowable because the time claimed was overstated based on an estimated time to perform the reimbursable activity.

The following table summarizes the claimed, allowable, and audit adjustment amounts per fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and Benefits :			
1999-2000	\$ —	\$ 1,828	\$ 1,828
2000-01	564	2,035	1,471
2001-02	25,673	2,206	(23,467)
2002-03	14,820	2,319	(12,501)
2003-04	43,585	2,550	(41,035)
2004-05	37,878	2,421	(35,457)
2005-06	206	2,542	2,336
2006-07	1,115	2,846	1,731
2007-08	11,928	3,287	(8,641)
2008-09	2,782	3,210	428
2009-10	4,333	3,300	(1,033)
2010-11	473	3,268	2,795
Total salaries and benefits	<u>\$ 143,357</u>	<u>\$ 31,812</u>	<u>\$ (111,545)</u>

For the audit period, the district estimated the time it takes to perform the reimbursable activities. Staff completed Time Record Sheets to estimate the hours claimed by the district ranging from 5 to 805 hours per year.

During our analysis of this component, we noted variations in the number of staff and the number of hours claimed per fiscal year. Also, we noted various staff classifications were claimed. We advised the district to provide an explanation of the process of reporting to the CCCCCO the number of and amounts provided for BOGG fee waivers. The district indicated that the IT Analyst who performs this activity spends approximately 40 hours per fiscal year doing so. Based on the district’s explanation of the process involved in performing this activity, we determined that the time claimed is excessive and unreasonable, and that 40 hours per fiscal year to perform this activity is reasonable. Therefore, we based allowable costs on 40 hours per fiscal year for the IT Analyst.

Based on the explanation and additional information provided by the district, the following table summarizes the allowable hours for reporting to the CCCCO the number of and amounts provided for BOGG fee waivers:

<u>Fiscal Year</u>	<u>Claimed</u>		<u>Allowed</u>
	<u>Total Number of Staff</u>	<u>Total Hours</u>	<u>Total Hours</u>
1999-2000	—	—	40
2000-01	3	21	40
2001-02	4	463	40
2002-03	4	249	40
2003-04	7	787	40
2004-05	9	805	40
2005-06	1	5	40
2006-07	2	16	40
2007-08	3	300	40
2008-09	3	44	40
2009-10	2	60	40
2010-11	1	8	40

The program’s parameters and guidelines (section IV–Reimbursable Activities) state:

To be eligible for mandated cost reimbursement, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records, time logs, sign-in sheets, invoices, and receipts.

The parameters and guidelines (section V.A.1-Claim Preparation and Submission-Direct Cost Reporting-Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The District claimed \$143,357 in salaries and benefits during the audit period related to reporting to the Chancellor the number of and amounts provided for BOGG fee waivers. The draft audit report states that \$31,812 is allowable and \$111,545 is unallowable because “the time claimed was overstated based on an estimated time to perform the reimbursable activity.” Based on information from the district’s current IT staff, the time to perform this activity is currently 40 hours per fiscal year. About 90% of the disallowed staff time (\$112,460 of \$122,134)

occurred before FY 2006-07, when the parameters and guidelines became available to district.

As in previous findings, the audit report cites the parameters and guideline's general documentation standards and the requirement that claimed costs to be supported by source documents created at or near the same time the actual cost was incurred. However, there is no prohibition against claiming good faith estimates of actual time and the auditor has accepted these estimates here and for other findings. Not included in this finding is an explanation of what activities the auditor determined to be excessive or unreasonable. It is the District's position for this and other findings, that absent information to the contrary, the individual staff person's interpretation of the parameters and guidelines language, since they implement the mandate program, is more valid than a post facto interpretation by an auditor who does not implement the mandate program. In fact, it is our understanding that the employee's interpretation was accepted in other Statewide audits.

SCO's Comments

The dollar finding and recommendation remain unchanged.

The district states that approximately 90% of the disallowed staff time occurred before FY 2006-07 (first 8 of the 13 fiscal-year audit period), when the parameters and guidelines became available. We agree. Refer to the SCO's comments in Finding 1 for a discussion related to documentation requirements.

For the entire audit period, employees estimated the time it took to report to the CCCCCO the number of, and amounts provided for, BOGG fee waivers, generally per year, on certification forms developed by the district's mandated cost consultant. These forms were not prepared contemporaneously. The hours noted on the certifications ranged from 5 to 805 hours per year to perform the activity. We adjusted the estimated time claimed to hours the district was able to support.

FINDING 9— Unallowable indirect costs

The district claimed indirect costs during the audit period totaling \$4,620,805 for enrollment fee collection activities and \$2,251,288 for enrollment fee waiver activities. For enrollment fee collection activities, we found that \$610,003 is allowable and \$4,010,802 is unallowable. For enrollment fee waiver activities, we found that \$1,205,886 is allowable and \$1,045,402 is unallowable. The costs are unallowable because the district incorrectly calculated its indirect cost rates using the FAM-29C methodology for FY 1998-99 through FY 2004-05 and FY 2007-08 through FY 2010-11, incorrectly applied its indirect cost rates to employee benefits for FY 2005-06, and claimed unallowable salaries and benefits identified in Findings 1 through 8.

Methodology used by the District to claim Indirect Cost Rates

For FY 1998-99 through FY 2010-11, not including FY 2005-06, the district claimed indirect costs using the SCO's FAM-29C methodology. For FY 2005-06, the district claimed indirect costs based on indirect cost rates that it prepared using the principles of Title 2, Code of Federal Regulations, Part 220 (Office of Management and Budget (OMB) Circular A-21).

Audited Indirect Cost Rates

For FY 1998-99 through FY 2000-01, we used the audited indirect cost rates from our audit report of the district's Health Fee Elimination Program claims issued on June 24, 2004. We calculated the rate consistent with the claiming instructions. For FY 1998-99 through FY 2000-01, the district incorrectly calculated its indirect cost rates by including Capital Outlay as indirect costs, including 100% of Operation and Maintenance costs as indirect costs, and applying certain direct costs as indirect costs. Also, for FY 1999-2000 and FY 2000-01, the district used the prior year's California Community College Annual Financial Budget Report Expenditures by Activity Report (CCFS-311) to prepare its indirect cost rates.

For FY 2001-02, we used the audited indirect cost rates from our audit report of the district's Collective Bargaining Program claims issued on December 2007. We calculated the rate consistent with the claiming instructions. The district incorrectly calculated its indirect cost rates by using the prior year's CCFS-311s, including Capital Outlay as indirect costs, including 100% of Operation and Maintenance costs as indirect costs, and applying certain direct costs as indirect costs.

For FY 2002-03 through FY 2004-05, we used the audited indirect cost rates from our audit report of the district's Health Fee Elimination Program claims issued on May 21, 2008. We calculated the rates consistent with the claiming instructions. For FY 2002-03 and FY 2003-04, the district incorrectly calculated its indirect cost rates by using the prior year's CCFS-311s, including Capital Outlay as indirect costs, including 100% of Operation and Maintenance costs as indirect costs, and applying certain direct costs as indirect costs. For FY 2004-05, the district did not provide the auditor with its indirect cost rate calculations.

For FY 2005-06, the district provided support for the federally approved A-21 rate; therefore, we used the claimed rate. The district applied the indirect cost rate to salaries and benefits; however, the federal rate was calculated using only a base of salary and wages. Accordingly, we limited our application of the indirect cost rate to allowable salaries and wages.

Calculated Indirect Cost Rates

For FY 2006-07 through FY 2010-11, we recalculated the indirect cost rates using the SCO's FAM-29C methodology. We calculated the rates consistent with the claiming instructions and used the district's financial information contained in the CCFS-311s.

For FY 2006-07, the district correctly calculated the indirect cost rate in accordance with the claiming instructions.

For FY 2007-08 and FY 2008-09, the district did not calculate its indirect cost rates in accordance with the claiming instructions; the district incorrectly included Operation Expenses as direct costs.

For FY 2009-10, the district did not calculate its indirect cost rates in accordance with the claiming instructions; the district incorrectly included Community Relations as an indirect cost.

For FY 2010-11, the district used the FY 2009-10 indirect cost rate.

Applied Indirect Cost Rates

For FY 1998-99 through FY 2004-05, the district correctly applied its indirect cost rates to total direct costs. For FY 2005-06, the district incorrectly applied its indirect cost rate to salaries and benefits instead of salaries only. For FY 2006-07, the district incorrectly applied its indirect rate to salaries and benefits instead of total direct costs. For FY 2007-08 through FY 2010-11, the district correctly applied its indirect cost rates to salaries and benefits.

Misstated Indirect Cost Rates

Our calculations show that the district misstated its indirect cost rates for FY 1998-99 through FY 2004-05 and FY 2007-08 through FY 2010-11.

The following table summarizes the claimed, allowable, and audit adjustments for indirect cost rates:

<u>Fiscal Year</u>	<u>Claimed</u>	<u>Allowable</u>	<u>Difference</u>
1998-99	33.73%	14.72%	-19.01%
1999-2000	33.68%	15.61%	-18.07%
2000-01	34.00%	14.93%	-19.07%
2001-02	32.79%	15.95%	-16.84%
2002-03	31.09%	16.47%	-14.62%
2003-04	30.88%	16.26%	-14.62%
2004-05	31.96%	35.76%	3.80%
2005-06	30.00%	30.00%	0.00%
2006-07	37.70%	37.70%	0.00%
2007-08	36.16%	38.75%	2.59%
2008-09	37.02%	40.28%	3.26%
2009-10	43.60%	42.37%	-1.23%
2010-11	43.60%	43.22%	-0.38%

Enrollment Fee Collection

The district claimed \$4,620,805 for indirect costs during the audit period related to salaries and benefits claimed for enrollment fee collection activities. We found that \$610,003 is allowable and \$4,010,802 is unallowable. The costs are unallowable because of the errors discussed previously and the unallowable salaries and benefits identified in Findings 1, 2, and 3.

The following table summarizes the claimed, allowable, and audit adjustment amounts for indirect costs related to enrollment fee collection by fiscal year:

Fiscal Year	Enrollment Fee Collection				
	Allowable Costs	Allowable Indirect Cost Rates	Allowable Indirect Costs	Claimed Indirect Costs	Audit Adjustment
1998-99	\$ 110,534	14.72%	\$ 16,271 ¹	\$ 212,610	\$ (196,339)
1999-2000	125,158	15.61%	19,537 ¹	232,094	(212,557)
2000-01	138,432	14.93%	20,668 ¹	256,976	(236,308)
2001-02	143,175	15.95%	22,836 ¹	286,369	(263,533)
2002-03	147,056	16.47%	24,220 ¹	305,429	(281,209)
2003-04	136,217	16.26%	22,149 ¹	294,071	(271,922)
2004-05	134,987	35.76%	48,271 ¹	302,122	(253,851)
2005-06	150,134	30.00%	32,403 ²	272,976	(240,573)
2006-07	201,533	37.70%	75,978 ¹	351,736	(275,758)
2007-08	213,008	38.75%	82,541 ³	379,816	(297,275)
2008-09	230,425	40.28%	92,815 ³	567,768	(474,953)
2009-10	201,290	42.37%	85,287 ³	682,235	(596,948)
2010-11	155,083	43.22%	67,027 ³	476,603	(409,576)
	<u>\$ 2,087,032</u>		<u>\$ 610,003</u>	<u>\$ 4,620,805</u>	<u>\$(4,010,802)</u>

¹ Applied base to total direct costs

² Applied base to salaries

³ Applied base to salaries and benefits

Enrollment Fee Waivers

The district claimed \$2,251,288 for indirect costs during the audit period related to salaries and benefits claimed for enrollment fee waivers activities. We found that \$1,205,886 is allowable and \$1,045,402 is unallowable. The costs are unallowable because of the errors discussed previously and unallowable salaries and benefits identified in Findings 4 through 8.

The following table summarizes the claimed, allowable, and audit adjustment amounts for indirect costs related to enrollment fee waivers by fiscal year:

Fiscal Year	Enrollment Fee Waivers				
	Allowable Costs	Allowable Indirect Cost Rates	Allowable Indirect Costs	Claimed Indirect Costs	Audit Adjustment
1999-2000	\$ 89,706	15.61%	\$ 14,003 ¹	\$ 78,915	\$ (64,912)
2000-01	110,618	14.93%	16,515 ¹	83,445	(66,930)
2001-02	127,009	15.95%	20,258 ¹	125,765	(105,507)
2002-03	201,416	16.47%	33,173 ¹	130,900	(97,727)
2003-04	235,529	16.26%	38,297 ¹	186,940	(148,643)
2004-05	264,547	35.76%	94,602 ¹	182,307	(87,705)
2005-06	338,376	30.00%	73,031 ²	181,662	(108,631)
2006-07	413,565	37.70%	156,668 ¹	175,362	(18,694)
2007-08	511,908	38.75%	198,364 ³	355,352	(156,988)
2008-09	423,502	40.28%	170,587 ³	181,225	(10,638)
2009-10	457,150	42.37%	193,694 ³	224,587	(30,893)
2010-11	455,100	43.22%	196,694 ³	344,828	(148,134)
	<u>\$ 3,628,426</u>		<u>\$ 1,205,886</u>	<u>\$ 2,251,288</u>	<u>\$ (1,045,402)</u>

¹ Applied base to total direct costs
² Applied base to salaries
³ Applied base to salaries and benefits

The parameters and guidelines (section V.B.–Claim Preparation and Submission–Indirect Costs) state that:

Indirect costs are costs that have been incurred for common or joint purposes. . . . Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, “Cost Principles of Education Institutions”; (2) the rate calculated on State Controller’s Form FAM-29C; or (3) a 7% indirect cost rate.

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The District claimed indirect costs during the audit period totaling \$4,620,805 for enrollment fee collection activities and \$2,251,288 for enrollment fee waiver activities. The audit report states that for enrollment fee collection activities, \$610,003 is allowable and \$4,010,802 is unallowable. For enrollment fee waiver activities, \$1,205,886 is allowable and \$1,045,402 is unallowable. The indirect costs are reduced as a result of Findings 1 through 8 and differences in how the Controller’s FAM-29C methodology was used, except FY 2005-06 when a federal rate method was used.

<u>Fiscal Year</u>	<u>Claimed</u>	<u>Allowable</u>	<u>Adjustment</u>
1998-99	33.73%	14.72%	-19.01%
1999-00	33.68%	15.61%	-18.07%
2000-01	34.00%	14.93%	-19.07%
2001-02	32.79%	15.95%	-16.84%
2002-03	31.09%	16.47%	-14.62%
2003-04	30.88%	16.26%	-14.62%
2004-05	31.96%	35.76%	3.80%
2005-06	30.00%	30.00%	0.00%
2006-07	37.70%	37.70%	0.00%
2007-08	36.16%	38.75%	2.59%
2008-09	37.02%	40.28%	3.26%
2009-10	43.60%	42.37%	-1.23%
2010-11	43.60%	43.22%	-0.38%

For FY 1998-99 through FY 2000-01, the Controller used the audited indirect cost rates from a previous audit of the District's Health Fee Elimination Program issued in June 2004. For FY 2001-02, the Controller used the audited indirect cost rates from a previous audit of the District's Collective Bargaining Program issued in December 2007. For FY 2002-03 through FY 2004-05, the Controller used the audited indirect cost rates a previous audit of the District's Health Fee Elimination Program issued in May 2008. The District accepts the use of the indirect cost rates calculated for other mandate audits. However, the District disagrees with those audited rates, and has already filed incorrect reduction claims for those other mandate audits.

The large differences prior to FY 2004-05 are the result of the District including capital costs and the Controller excluding capital costs from the calculation. The annual claims used the "capital costs" reported in the CCFS-311 until after FY 2004-05 when the annual CPA-audited financial statement depreciation expense was used in lieu of capital costs. The audit excluded the capital costs every year until FY 2004-05 when depreciation was included by change in Controller policy. The Controller has not stated a legal or factual reason to previously exclude or now include capital or depreciation costs.

For FY 2005-06, the District used a federally approved rate which was accepted by the auditor, except that the District applied the indirect cost rate to salaries and benefits and the auditor limited the application of the indirect cost rates to salaries only. The draft audit report provides no citation for this limitation.

For FY 2006-07 through FY 2010-11, both the District and the auditor calculated the indirect cost rates using the SCO FAM-29C methodology based on the CCFS-311. The minor differences between the claimed rates and audited rates beginning FY 2007-08, derive from the choice of how some of the costs are categorized as either direct or indirect for purposes of the calculation. These minor differences are within the realm of a reasonable interpretation of the nature (either direct or indirect) of the costs reported for each CCFS-311 account and the audit findings have not indicated otherwise. The audit report does not state that the District's calculations are unreasonable, just that they aren't exactly the same as the Controller's calculations using the same method.

There are no regulations or pertinent generally accepted methods for the calculation of the indirect cost rate, so it is a matter of professional judgment. The Controller's claiming instructions are unenforceable because they have not been adopted as regulations under the Administrative Procedure Act. The burden of proof is on the Controller to prove that the product of the District's calculation is unreasonable, not to recalculate the rate according to their unenforceable policy preferences. However, this is a statewide audit issue included in dozens of other incorrect reduction claims already filed that will have to be resolved by decision of the Commission on State Mandates.

SCO's Comments

The dollar finding and recommendation remain unchanged. We updated the narrative to reference FY 2003-04 that was inadvertently omitted in paragraph five of the finding.

The finding discusses the SCO's calculation of indirect costs. For FY 1998-99 through FY 2004-05, and 2006-07 through FY 2010-11, the SCO calculated indirect costs consistent with the claiming instructions for community colleges. For FY 2005-06, the SCO calculated indirect costs using the federally approved rate and related distribution base.

For FY 1998-99 through FY 2004-05, the district disagrees with the SCO's claiming instructions for preparing the FAM-29C that excluded capital costs every year until FY 2004-05. The Enrollment Fee Collections and Waiver Program's parameters and guidelines direct districts to claim an indirect cost in accordance with the SCO's claiming instructions. The claiming instructions require the district to claim indirect costs using the SCO's FAM-29C methodology. The FAM-29C methodology is specified in the SCO's claiming instructions. Title 2, *California Code of Regulations* (CCR), section 1186, allows districts to request that the CSM review the SCO's claiming instructions. Neither this district nor any other district requested that the CSM review the SCO's claiming instructions. The district may not now request a review of the claiming instructions applicable to the audit period. Title 2, CCR, section 1186, subdivision (j)(2), states, "A request for review filed after the initial claiming deadline must be submitted on or before January 15, following a fiscal year in order to establish eligibility for reimbursement for that fiscal year."

For FY 2005-06, the district disagrees with the use of the federally approved rate distribution base of salaries and wages. On June 30, 2005, the U.S. Department of Health and Human Services stipulated in a letter that the application of indirect cost rate is to be applied to "direct salaries and wages, excluding all fringe benefits." However, the district applied the rate to salaries and benefits. If the district does not wish to apply the federally approved indirect cost rate to the approved base, then it should alternatively use one of the other two allowable indirect cost rate options.

For FY 2007-08 through FY 2009-10, the district believes that the minor differences between the SCO and district calculation are within the realm of a reasonable interpretation of the nature (either direct or indirect) of the costs reported. We disagree. For FY 2007-08 and FY 2008-09, the

district did not follow the SCO claiming instructions for preparing the FAM-29C. For FY 2009-10, the district incorrectly included Community Relations as an indirect cost.

**FINDING 10—
Misstated offsetting
reimbursements**

The district claimed offsetting reimbursements totaling \$2,490,136 for enrollment fee collection and \$6,812,932 for enrollment fee waivers. We found that offsetting reimbursements were misstated by \$12,835 (overstated by \$318,751 and understated by \$331,586) for enrollment fee collection and misstated by \$1,951,815 (overstated \$2,163,452 and understated by \$211,637) for enrollment fee waivers. The offsetting reimbursements were misstated because the district did not report the correct amounts that it received from the CCCCCO for enrollment fee collection or enrollment fee waivers in any fiscal year of the audit period.

Enrollment Fee Collection

For the audit period, the district claimed offsetting reimbursements for enrollment fee collection related to the offset of 2% of revenues from enrollment fees. We obtained a report from the CCCCCO confirming enrollment fee collection offsets paid to the district totaling \$2,838,284 during the audit period.

We limited offsetting reimbursements received by the district to allowable direct and indirect costs. Allowable direct and indirect costs applicable for the audit period related to enrollment fee collection activities totaled \$2,697,035. The district misstated offsetting reimbursements by \$12,835 (overstated by \$318,751 and understated by \$331,586), consisting of offsets applicable to the audit period of \$2,502,971 less offsets claimed of \$2,490,136.

The following table summarizes the misstated enrollment fee collection offsetting reimbursements by fiscal year:

Fiscal Year	Enrollment Fee Collection Offsets				
	Allowable Direct and Related Indirect Costs (A)	Offsets Claimed (B)	Actual Offsets Confirmed by the CCCCCO (C)	Offsets Applicable to Audit (D)	Audit Adjustment (E)= (D-B)
1998-99	\$ 126,805	\$ (63,923)	\$ (139,610)	\$ (126,805)	\$ (62,882)
1999-2000	144,695	(75,176)	(135,818)	(135,818)	(60,642)
2000-01	159,100	(76,965)	(134,879)	(134,879)	(57,914)
2001-02	166,011	(73,469)	(148,533)	(148,533)	(75,064)
2002-03	171,276	(78,534)	(147,068)	(147,068)	(68,534)
2003-04	158,366	(158,465)	(225,089)	(158,366)	99
2004-05	183,258	(334,101)	(305,460)	(183,258)	150,843
2005-06	182,537	(317,575)	(299,332)	(182,537)	135,038
2006-07	277,511	(291,730)	(276,331)	(276,331)	15,399
2007-08	295,549	(252,954)	(250,105)	(250,105)	2,849
2008-09	323,240	(264,258)	(250,584)	(250,584)	13,674
2009-10	286,577	(287,426)	(286,718)	(286,577)	849
2010-11	222,110	(215,560)	(238,757)	(222,110)	(6,550)
Total	\$ 2,697,035	\$ (2,490,136)	\$ (2,838,284)	\$ (2,502,971)	\$ (12,835)

Consequently, the unused portion of offsetting reimbursements related to enrollment fee collection costs total \$335,313, as follows:

<u>Fiscal Year</u>	<u>Actual Offsets Confirmed by the CCCCCO (A)</u>	<u>Offset Applicable to Audit (B)</u>	<u>Unused Portion of Offsets (C) = (A-B)</u>
1998-99	\$ (139,610)	\$ (126,805)	\$ (12,805)
1999-2000	(135,818)	(135,818)	—
2000-01	(134,879)	(134,879)	—
2001-02	(148,533)	(148,533)	—
2002-03	(147,068)	(147,068)	—
2003-04	(225,089)	(158,366)	(66,723)
2004-05	(305,460)	(183,258)	(122,202)
2005-06	(299,332)	(182,537)	(116,795)
2006-07	(276,331)	(276,331)	—
2007-08	(250,105)	(250,105)	—
2008-09	(250,584)	(250,584)	—
2009-10	(286,718)	(286,577)	(141)
2010-11	(238,757)	(222,110)	(16,647)
Total	<u>\$ (2,838,284)</u>	<u>\$ (2,502,971)</u>	<u>\$ (335,313)</u>

Enrollment Fee Waivers

For the audit period, the district claimed offsetting reimbursements for enrollment fee waivers related to 7% or 2% of the enrollment fees waived and \$0.91 per credit unit waived. We obtained a report from the CCCCCO confirming enrollment fee waivers offsets paid to the district totaling \$8,099,575 for the audit period. We also limited offsetting reimbursements received by the district to allowable direct and indirect costs. Allowable direct and indirect costs applicable to the audit period related to enrollment fee waivers activities totaled \$4,861,117; therefore, this amount represents offsets applicable to the audit period. The district claimed \$6,812,932. Consequently, the district misstated enrollment fee waiver offsets by \$1,951,815 (overstated \$2,163,452 and understated by \$211,637).

The following table summarizes the misstated enrollment fee waiver offsetting reimbursements by fiscal year:

<u>Enrollment Fee Waivers Offsets</u>					
<u>Fiscal Year</u>	<u>Allowable Direct and Related Indirect Costs (A)</u>	<u>Offsets Claimed (B)</u>	<u>Actual Offsets Confirmed by the CCCCCO (C)</u>	<u>Offsets Applicable to Audit (D)</u>	<u>Audit Adjustment (E) = (D-B)</u>
1999-2000	\$ 103,709	\$ (234,309)	\$ (328,276)	\$ (103,709)	\$ 130,600
2000-01	127,133	(245,427)	(380,746)	(127,133)	118,294
2001-02	147,267	(383,546)	(413,343)	(147,267)	236,279
2002-03	234,589	(421,036)	(482,916)	(234,589)	186,447
2003-04	273,826	(605,376)	(588,648)	(273,826)	331,550
2004-05	359,149	(570,422)	(823,840)	(359,149)	211,273
2005-06	427,722	(621,855)	(758,864)	(427,722)	194,133
2006-07	572,233	(465,151)	(777,100)	(572,233)	(107,082)
2007-08	712,332	(894,435)	(768,423)	(712,332)	182,103
2008-09	596,190	(491,635)	(795,286)	(596,190)	(104,555)
2009-10	652,987	(741,836)	(922,574)	(652,987)	88,849
2010-11	653,980	(1,137,904)	(1,059,559)	(653,980)	483,924
Total	<u>\$ 4,861,117</u>	<u>\$ (6,812,932)</u>	<u>\$ (8,099,575)</u>	<u>\$ (4,861,117)</u>	<u>\$ 1,951,815</u>

Consequently, the unused portion of offsetting reimbursements related to enrollment fee waivers costs total \$3,238,458, as follows:

Fiscal Year	Actual Offsets Confirmed by the CCCCCO (A)	Offset Applicable to Audit (B)	Unused Portion of Offsets (C)= (A-B)
1999-2000	\$ (328,276)	\$ (103,709)	\$ (224,567)
2000-01	(380,746)	(127,133)	(253,613)
2001-02	(413,343)	(147,267)	(266,076)
2002-03	(482,916)	(234,589)	(248,327)
2003-04	(588,648)	(273,826)	(314,822)
2004-05	(823,840)	(359,149)	(464,691)
2005-06	(758,864)	(427,722)	(331,142)
2006-07	(777,100)	(572,233)	(204,867)
2007-08	(768,423)	(712,332)	(56,091)
2008-09	(795,286)	(596,190)	(199,096)
2009-10	(922,574)	(652,987)	(269,587)
2010-11	(1,059,559)	(653,980)	(405,579)
Total	\$ (8,099,575)	\$ (4,861,117)	\$ (3,238,458)

The parameters and guidelines (section VII-Offsetting Savings and Reimbursements) state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including, but not limited to services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

Enrollment Fee Collection Program:

The cost of the Enrollment Fee Collection program are subject to an offset of two percent (2%) of the revenue from enrollment fees (Ed. Code, 76000, subd.(c))

Enrollment Fee Waiver Program:

The costs of the Enrollment Fee Waiver program are subject to the following offsets:

July 1, 1999 to July 4, 2000:

- For low income students² or recipients of public assistance³, or dependents or surviving spouses of National Guard soldiers killed in the line of duty⁴ as defined:
 - an offset identified in Education Code section 76300, subdivision (m), that requires the community college Board of Governors, from funds in the annual budget act, to allocated to community college two percent (2%) of the fees waived, under subdivision (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined] of section 76300; and

- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined), or dependents or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived:
 - from funds provided in the annual State Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to seven (7%) of the fee waivers provided, pursuant to subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined].⁵

Beginning July 5, 2000:

- For low-income students (as defined), or recipient of public assistance (as defined) or dependent or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived (as defined):
 - an offset identified in Education Code section 76300, subdivision (m), that requires the Community College Board of Governors, from funds in the annual budget act, to allocate to community colleges two (2%) of the fees waived, under subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents of California National Guard soldiers killed in the line of duty as defined] of section 76300;
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined) for whom fees are waived:
 - requires the Board of Governors to allocate from funds in the annual State Budget Act ninety-one cents (\$0.91) per credit unit waived pursuant to subdivisions (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or California National Guard soldiers killed in the line of duty as defined].
- Any budget augmentation received under the Board Financial Assistance Program Administrative Allowance, or any other state budget augmentation received for administering the fee waiver program.

Note: Footnotes 2 through 5 are included on page 7 and 8 of the parameters and guidelines to provide additional clarification.

Recommendation

We recommend that the district report the applicable offsetting reimbursements for the Enrollment Fee Collection and Waivers Program on its mandate cost claims based on information provided by the CCCCCO.

District's Response

The offsetting amounts are not actually "reimbursements," rather they are funds provided by the state to implement the program and are based on statutory rates and not actual cost. The offsetting revenues identified in the parameters and guidelines (Part VII) are of three types: the enrollment fee collection 2% administrative offset for all fiscal years, the enrollment fee waiver 2% BFAP allocation beginning FY 2000-01, and the \$.91 per unit waived BFAP-SFAA allocation beginning FY 2000-01 (7% for FY 1999-00 only).

The District claimed offsetting program revenues totaling \$2,490,136 for enrollment fee collection and \$6,812,932 for enrollment fee waivers. The draft audit reports states that offsetting revenues were misstated by \$12,835 (overstated by \$318,751 and understated by \$331,586) for enrollment fee collection and misstated by \$1,951,815 (overstated \$2,163,452 and understated by \$211,37) [sic] for enrollment fee waivers. The offsetting revenues are only "misstated" because the District claims did not match the same revenue amounts as the Chancellor's Office data for enrollment fee collection or enrollment fee waivers in any fiscal year of the audit period. The auditor's amounts are based on a post- facto data query to the Chancellor's data using seasoned data not available at the time of the claim preparation. Claimants, at the time the annual claims are prepared, must calculate the amounts based on available district enrollment information and the number of units waived, which would be a continuing source of minor differences.

However, the differences here are not minor. The magnitude of the offsetting revenue adjustment results from the amount of the disallowed activity costs in Findings 1 through 9, since the offset cannot exceed the reimbursable cost. As the amount of audited cost decreases, there is a corresponding decrease in applicable offsetting revenues. For example, for the enrollment fee waiver component, the offset exceeds the audited program cost each and every year. If the approved program costs increase as a result of the incorrect reduction claim, these offsetting revenue differences will increase in the same amount.

The District concurs and complied with the auditor's recommendation that claimants should report the revenue sources identified in the parameters and guidelines as an offset to the program costs. The District reported amounts based on information available at the time of claim preparation. There is no dispute of these audited amounts at this time.

SCO's Comments

The finding and recommendation remain unchanged.

The district does not dispute the audited amounts at this time. The district stated that it reported amounts based on information available at the time of claim preparation.

**FINDING 11—
Misstated productive
hourly rates for
Calculating and
Collecting Enrollment
Fees and Waiving
Student Fees cost
component**

The district misstated productive hourly rates (PHR) for the audit period. The district calculated the average PHR separately for employees involved in calculating and collecting enrollment fee activities (Activities 1 through 6) and for employees involved in the waiving student fee activities (Activities 7 through 12). In addition, the district calculated its average PHR using a straight average methodology.

Enrollment Fee Collection – Calculating and Collecting Student Enrollment Fees (Activities 1 through 6)

For FY 1999-2000, FY 2003-04, and FY 2004-05, the district used the incorrect PHR classification average for one staff member. Also, for FY 2000-01, the district used the incorrect PHR classification average for two staff members. For FY 2005-06 through FY 2007-08, the district used FY 2004-05 PHR information. For FY 2009-10, the district used the incorrect PHR information for an Account Clerk. For FY 2010-11, the district used the incorrect PHR information for a Financial Aid Officer. We recalculated the PHR averages using actual PHR information the district provided.

The following table summarizes the claimed, allowable, and adjustment average PHR for calculating and collecting enrollment fee activities by fiscal year:

<u>Fiscal Year</u>	<u>Claimed Average Productive Hourly Rate</u>	<u>Allowable Average Productive Hourly Rate</u>	<u>Adjustment Average Productive Hourly Rate</u>
1998-99	\$ 17.70	\$ 17.76	\$ 0.06
1999-2000	17.81	17.85	0.04
2000-01	19.77	19.94	0.17
2001-02	20.72	20.72	—
2002-03	20.95	20.95	—
2003-04	22.31	22.23	(0.08)
2004-05	22.79	22.67	(0.12)
2005-06	24.97	25.28	0.31
2006-07	25.15	28.34	3.19
2007-08	26.75	32.08	5.33
2008-09	33.36	33.36	—
2009-10	29.44	29.16	(0.28)
2010-11	27.89	27.82	(0.07)

Enrollment Fee Waivers – Waiving Student Enrollment Fee (Activities 7 through 12)

The district used an incorrect PHR classification average for three staff members for FY 1999-2000, seven staff members for FY 2000-01 and FY 2003-04, four staff members for FY 2001-02 and FY 2003-04, and 11 staff members for FY 2004-05. For FY 2005-06 through FY 2007-08, the district used FY 2004-05 PHR information. For FY 2009-10, the district used the incorrect PHR information for an Account Clerk. For FY 2010-11, the district used the incorrect PHR information for a Financial Aid Clerk and a Financial Aid Officer. We recalculated the PHR averages using the PHR information the district provided.

The following table summarizes the claimed, allowable, and adjustment average PHRs for waiving student enrollment fee activities by fiscal year:

<u>Fiscal Year</u>	<u>Claimed Average Productive Hourly Rate</u>	<u>Allowable Average Productive Hourly Rate</u>	<u>Adjustment Average Productive Hourly Rate</u>
1999-2000	\$ 22.32	\$ 22.02	\$ (0.30)
2000-01	24.26	24.07	(0.19)
2001-02	25.95	25.80	(0.15)
2002-03	25.93	25.52	(0.41)
2003-04	28.12	27.15	(0.97)
2004-05	27.96	27.37	(0.59)
2005-06	29.66	29.62	(0.04)
2006-07	29.66	33.64	3.98
2007-08	37.85	37.84	(0.01)
2008-09	30.45	30.45	—
2009-10	26.99	26.99	—
2010-11	25.32	24.25	(1.07)

The parameters and guidelines (section V–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) state that, for salaries and benefits, claimants are required to:

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the reimbursable activities performed and the hours devoted to each reimbursable activity performed.

The SCO’s claiming instructions state that one of three options may be used to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800 annual productive hours for all employees. (The 1,800 annual productive hours excludes time for paid holidays, vacation earned, sick leave taken, informal time off, jury duty, and military leave taken.)

Recommendation

We recommend that the district ensure that productive hourly rates are calculated in accordance with the guidance provided in the SCO’s claiming instructions.

District’s Response

As described in Findings 3 and 7, an average hour salary and benefit rate is used for the activities in which several staff of the same position implement the same mandate activities. The District used a simple average of the individual rates. The draft audit report concludes that the District erred by not weighting productive hourly rates for the twelve program activities. There is no requirement in the parameters and

guidelines to use weighted productive hourly rates and no factual basis to do so was provided by the audit report. The average of variances are less than one dollar and most of the audited variances are less than thirty cents, or about 2% for any one position calculation, except where a weighted average was used. The District accepts the auditor's extensive work on calculating the individual rates, but disputes the unfounded requirement to use weighted averages.

SCO's Comments

The finding and recommendation remain unchanged.

The district accepts our extensive work on calculating the individual's PHR, but disputes the "unfounded requirement" to use weighted averages rather than simple average of the individual PHR.

As noted in the finding, the SCO's claiming instructions state that one of three options may be used to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800 annual productive hours for all employees. (The 1,800 annual productive hours excludes time for paid holidays, vacation earned, sick leave taken, informal time off, jury duty, and military leave taken.)

Using a simple average of the individual's PHR is inconsistent with the claiming instructions and unreasonable, as all individuals do not perform the mandated activities at the same level. The weighted averages weighs individual PHR to the extent that person performs the mandated activity. Consequently, an individual who spends many hours performing mandated activities is given greater weight than an individual who spends only a few hours performing mandated activities.

Other Issues— Public records request

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

District's Response

The District requests that the Controller provide the District any and all written instructions, memoranda, or other writings in effect and applicable to the audit procedures and findings for audits of this mandate program. Government Code Section 6253, subdivision c, requires the state agency that is the subject of the request, within ten days from receipt of a request for a copy of records, to determine whether the request, in whole or in part, seeks copies of disclosable public records in possession of the agency and promptly notify the requesting party of that determination and the reasons therefore. Also, as required, when so notifying the District, the agency must state the estimated date and time when the records will be made available.

SCO's Comments

The SCO will respond to the district's request separately from this report.

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

LOS RIOS

COMMUNITY
COLLEGE
DISTRICT



March 4, 2014

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

Re: Enrollment Fee Collection and Waivers
FY 1998-99 through FY 2010-11
Los Rios Community College District

Dear Mr. Spano:

This letter is the response of the Los Rios Community College District to the draft audit report dated February 19, 2014, received by e-mail on February 20, 2014, for the above-referenced program and fiscal years transmitted by the letter from Jeffrey V. Brownfield, Chief, Division of Audits, State Controller's Office.

Ninety-nine percent of the amounts claimed for reimbursement for all fiscal years audited have been disallowed by the audit. An audit appeal will be needed since most of the adjustments are based on Controller audit policies, the propriety of which can only be determined by appeal to the Commission on State Mandates. The District's incorrect reduction claim will be submitted to the Commission after we receive the final audit report.

DOCUMENTATION STANDARDS

Before responding to the specific findings, a general statement regarding staff labor time documentation is needed. The majority of the direct costs claimed is the staff time spent to implement the mandated activities. Most of this time is disallowed by the audit. The draft audit report essentially asserts that the provided source documents are inappropriately or insufficiently documented. The report cites the parameters and guidelines as the legal standard for source documentation:

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

1919 Spanos Court
Sacramento, CA 95825
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www.losrios.edu

“The program’s parameters and guidelines (section IV–Reimbursable Activities) state ‘To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a *document created at or near the same time the actual cost was incurred* for the event or activity in question. Source documents may include, but are not limited to, employee time records, time logs, sign-in sheets, invoices, and receipts.’ ”

It should be remembered that the parameters and guidelines were adopted January 26, 2006, and the first claiming instructions were issued April 3, 2006, which is seven years after the first fiscal year in the audit period. Thus, claimants were not on notice of the activities approved for reimbursement that should be documented until the eighth year of the eligibility period. It would seem patently unreasonable to require contemporaneous documentation of daily staff time for the retroactive initial fiscal years. While some historic staff time can be reconstructed from calendars and desk diaries, other staff time cannot and must be reported as a good-faith estimate where the desired information is not maintained in the regular course of business. While the District agrees with the audit report recommendation that claimants maintain records that document actual time spent on mandate-related activities, it would be a more realistic standard only for the fiscal year annual claims filed after the initial fiscal year claims.

None of the governmental entities that establish the accounting standards and reporting requirements that community college districts are subject to publish any standards or reporting requirements for state mandate cost accounting. Nor does the Controller, whose particular responsibility has been the payment and audit of the mandate annual claims for more than thirty years, publish cost accounting forms for use by claimants to record staff time spent on mandates. In the absence of governmental standards, districts must retroactively rely upon documentation produced in the regular course of business, as well as additional forms designed usually by mandate consultants, for the collection of staff mandate time not otherwise available from regular business records. Uniform compliance would be more likely if the Controller published forms for this purpose, as the Controller has done for other programs within the Controller’s payment and audit jurisdiction.

This District utilized forms prepared by its consultant to document staff time spent on the mandates. These forms are in the nature of certified declarations that are within the scope of the parameters and guidelines documentation standards. Where these forms or other documentation were apparently sufficient, the auditor made qualitative judgments regarding the scope of activities as to whether they were related to the mandate program. Where it was not, the auditor disallowed the claimed costs for insufficient documentation. In some cases, average staff time per activity was claimed, and disallowed. The auditor then substituted audited average staff time based on personal observation of the activities as currently implemented. By substituting their own time observations for some of the

activities, Controller staff is validating the concept of using average times as an acceptable method for the calculation of the mandate costs. The difference becomes one of fact, how much time to allow for each activity. Also, where the District's reported time and workload statistics were accepted by the auditor for some activities, the Controller is validating the District's good faith method and the mandate consultant's forms as an acceptable method for estimating average time. Since all of these choices of are basic differences, the dispute has to be resolved by the incorrect reduction claim process.

AUDIT FINDINGS

FINDING 1 Enrollment Fee Collection: Preparing Policies and Procedures Cost Component – unallowable one-time

The District claimed \$201,959 in salaries and benefits during the audit period for the activity of preparing district policies and procedures for the collection of enrollment fees. The draft audit states that \$271 is allowable and \$201,688 is unallowable because, "the district did not provide support that costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding the collection of enrollment fees." About 98% of the disallowed staff time occurred before FY 2006-07 when the parameters and guidelines became available to the claimants.

The parameters and guidelines state that preparing district policies and procedures is reimbursable as a one-time activity. There is no stated requirement to distinguish this work as either discretionary or a result of changes in state law as asserted by the draft audit report. The audit report cites the Commission Final Staff Analysis for the parameters and guidelines for the premise, not stated in the parameters and guidelines, that updates to policies and procedures result from changes in local policy. This is a factual assumption not supported by the audit findings, and seemingly contrary to the numerous changes in state law as a result in changes in the enrollment fee amounts, among other things, over the years. The language of Education Code Section 76300 changed frequently and the subject matter of the relevant Title 5, CCR, sections may have been updated by the Board of Governors.

The audit report essentially disallows staff time for policies and procedures after the first instances of reported costs for these activities in FY 1998-99 as a duplication of one-time costs without regard to subsequent changes made to the policies and procedures.

FINDING 2 Enrollment Fee Collection: Training Cost Component – unallowable one-time costs

The District claimed \$16,308 in salaries and benefits during the audit period for the activity of training district staff who implement the program on the procedures for the collection of enrollment fees. The audit report states that \$30,662 is allowable and \$14,354 is unallowable. The increase is generally related to additional allowed trainers'

hours not claimed by the district for FY 2006-07. Hours disallowed are for trainee staff claimed more than once by name, or for hours claimed without documentation related to the nature of the training, the length of the training, and which district employees attended the training. About 90% of the disallowed staff time occurred before FY 2006-07, when the parameters and guidelines became available to the district.

The draft audit report disallows claimed training time for employees who were claimed more than once during the thirteen fiscal years in the audit period. However, it should be considered that the content of the training would change over the span of years; thus, new content would be a new one-time activity for any repeat staff members. The language of Education Code Section 76300 changed frequently and the subject matter of the relevant Title 5, CCR, sections as may have been updated by the Board of Governors. It should also be anticipated that the name of the supervisors or managers conducting the training would appear in the claims for several years. There should be no blanket disallowance of staff time for persons whose name appears more than once, whether a new or existing employee, without a determination of whether the subject matter of the training was duplicate of previously claimed training activities.

FINDING 3 Enrollment fee Collection: Calculating and Collecting Enrollment Fees Cost Component– unallowable ongoing costs

The District claimed \$12,872,870 (\$12,695,196 in salaries and benefits and \$177,674 in contract services) for the calculating and collecting enrollment fees cost component during the audit period. The draft audit report states the \$2,056,099 (\$2,056,099 in salaries and benefits and no costs for contract services) is allowable and \$10,816,771 is unallowable. The cost of staff time to implement this mandate component is based on average time to implement each activity, multiplied by the average productive hourly rate for the relevant positions, then multiplied by the relevant workload statistic (e.g., the number of students paying an enrollment fee). The audit report adjusts all three components.

A. Average activity time

Using certification forms developed by the District's mandated cost consultant, dozens of District staff who implemented the mandate, estimated their individual times required to perform the reimbursable activities in nine different surveys conducted over the 13-year audit period. These individual times resulted in the average times per student enrollment payment transaction of 13.1 to 15.9 minutes for Activities 1 through 4 over the 13 years. The draft audit concludes that the good faith estimates reported by District staff are not acceptable source documentation of actual costs and rejects the time estimates for the four activities. Instead, the auditor observed at the cashier offices a total of 610 in-person payment transactions processed by a few district staff during an eight-day observation period which yielded a average time to perform all four activities of 2.52 minutes or 0.63 minutes per activity, with no distinction between the activities.

This 80% reduction in time allowed for in-person transactions is the first and largest source of the cost reduction. The auditor's observation sample size is not statistically adequate. The audited net enrollment is 2,228,868 over the 13 year period and each student typically enrolls for at least two semesters each year (or about 4.4 million enrollments), of which 610 student transactions were observed in 2012. For this, and other reasons, the auditor's observation process does not constitute a representative "time study" sample.

B. Workload multipliers

The average staff time for each activity is multiplied by a specific workload factor for each activity to determine the claimable staff time. Both the District and the auditor used this method. The draft audit report rejects the enrollment data reported by the District and substitutes the enrollment data the auditor obtained from the Chancellor's Office, and removes from the workload calculation the number of students who paid their enrollment fees online rather than in person. The workload multipliers for Activities 1-4 rely upon enrollment statistics with relevant adjustments.

For Activities 1 and 3, the audited amounts are based on a post-facto specific data query from the Chancellor's MIS database that eliminated specific elements (e.g., duplicated students by term and special admit students) not available in the usual course of business at the time of the claim preparation. These corrections made by the auditor are not disputed at this time.

For activities 2 and 4, after other corrections, the auditor deducted the number of students who paid their enrollment fees through the District's online system. A percentage was derived by dividing the number of fees paid in person by the total number of fees paid. This is the second major source of cost reduction. When this program became a mandate in FY 1998-99, there was no significant online activity, and so it was not factored into the annual claim workload statistics. The online transaction percentages further reduced the number of claimed transactions by 30-80% over the audit period. However, the audit findings do not replace the time lost from these eliminated transactions with any time to operate the online payment collection system. Thus, no costs are recognized for these transactions. This action is a matter of Controller policy and not subject to individual auditor discretion. This is a matter of statewide concern that can only be resolved by an incorrect reduction claim.

C. Productive Hourly Rates

Discussed at Finding 11.

D. Contract Services

The District claimed \$177,674 in contract services costs (XAP contract). The draft audit report disallows the entire cost without explanation. The District does not dispute this adjustment at this time.

FINDING 4 Enrollment Fee Waivers: Preparing Policies and Procedures Cost Component – unallowable one-time costs

The District claimed \$72,494 (\$66,602 in salaries and benefits and \$5,892 in contract services) during the audit period to prepare district policies and procedures for determining which students are eligible for a waiver of the enrollment fees. The audit report states that \$8,083 (\$2,191 in salaries and benefits and \$5,892 in contract services) is allowable and \$64,411 is unallowable because “the district did not provide documentation supporting that the costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding the waiver of enrollment fees.” About 70% of the disallowed staff time occurred before FY 2006-07, when the parameters and guidelines became available to district.

As in Finding 1, the parameters and guidelines state that preparing district policies and procedures is reimbursable as a one-time activity. There is no stated requirement to distinguish this work as either discretionary or a result of changes in state law as asserted by the draft audit report. Also, as in Finding 1, the audit report cites the Commission Final Staff Analysis for the parameters and guidelines for the premise, not stated in the parameters and guidelines, that updates to policies and procedures result from changes in local policy. This is a factual assumption not supported by the audit findings, and seemingly contrary to the numerous changes in state law as a result in changes in the enrollment fee amounts, among other things, over the years.

The audit report essentially disallows staff time for policies and procedures after the first instances of reported costs for these activities in FY 2000-01 as a duplication of one-time costs without regard to subsequent changes made to the policies and procedures.

FINDING 5 Enrollment Fee Waiver: Staff Training Cost Component – unallowable one-time costs

The District claimed \$48,447 for the one-time activity of staff training for District staff that implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee. The audit determined that \$120,493 is allowable. Amounts were disallowed for five fiscal years for trainee staff claimed more than once by name, or for hours claimed without documentation related to the nature of the training, the length of the training, and which district employees attended the training. About 95% of the disallowed staff time (\$7,825) occurred before FY 2006-07, when the parameters and guidelines became available to district.

As in Finding 2, the audit report cites the parameters and guideline’s general documentation standards, the requirement that claimed costs to be supported by source documents created at or near the same time the actual cost was incurred and that training existing staff for changes in the community college district's policies and procedures is not reimbursable. Also, as in Finding 2, the draft audit report disallows claimed training

time for employees who were claimed more than once during the audit period. There should be no blanket disallowance of staff time for persons whose name appears more than once, whether a new or existing employee, without a determination of whether the subject matter of the training was duplicate of previously claimed training activities.

FINDING 6 Enrollment Fee Waivers: Adopting Procedures, Recording and Maintaining Records cost component – unallowable ongoing costs

The District claimed \$1,026,104 (\$1,015,681 in salaries and benefits and \$10,423 in contract services costs) related to adopting procedures, recording, and maintaining records related to enrollment fee waivers. The audit report states that \$113,085 (\$102,662 in salaries and benefits and \$10,423 in contract services) is allowable and \$913,019 in salaries and benefits are unallowable because they were based on estimates of time to perform the reimbursable activities. The auditor also concluded that some staff hours claimed under this component were for waiving student fees and for training, but those amounts are not specifically identified in either this finding where the hours are excluded or the findings where those hours may have been transferred. About 70% of the disallowed staff time (\$936,080) occurred before FY 2006-07, when the parameters and guidelines became available to district.

As in previous findings, the audit report cites the parameters and guideline's general documentation standards and the requirement that claimed costs be supported by source documents created at or near the same time the actual cost was incurred. The audit report states that the allowable costs for salaries and benefits were based on six staff interviews. These interviews resulted in allowable time for three functions: 48 hours per year for the computer system function; 192 to 256 hours per year for changes to the BOGG application process which includes 64 hours per staff for each of the four colleges; and, 5 hours for all years to update the BOGG fee waiver section in the Financial Aid Assistance Handbook. It is anticipated that more staff time would have been approved by the auditor if more of the staff who claimed time over the long audit period were still available for personal interview.

The interviews apparently also resulted in the characterization of some of all of the remainder of the time as either training or the ongoing waiver process. This of course highlights the problem in all mandate reporting that each individual must interpret the activity descriptions on the forms used to collect staff time. In the case of the forms we used that were prepared by our mandate consultant, the activity descriptions are taken from the parameters and guidelines language and not modified, even where it is vague or confusing, since any modification has been criticized over the years by state agency personnel as soliciting a preferred response. Thus, as is often the case, the parameters and guidelines language is inadequate for the task of cost accounting, but since the Controller provides no forms for this purpose, and the state agencies criticize any interpretation by the claimants of the parameters and guidelines language, this problem will persist. Given these constraints, it is the District's position that, absent information to the contrary, the individual staff person's interpretation of the parameters and

guidelines language, since they implement the mandate program, is more valid than a post facto interpretation by an auditor, who does not implement the mandate program.

FINDING 7 Enrollment Fee Waivers: Waiving Student Fees Cost Component – unallowable ongoing costs

The District claimed \$5,045,462 (\$5,034,972 in salaries and benefits and \$10,490 in contract services) for waiving enrollment fees for students who are eligible for BOGG fee waivers. The audit report determined that \$3,381,758 (\$3,371,268 in salaries and benefits and \$10,490 in contract services) is allowable and \$1,663,704 is unallowable. The cost of staff time to implement this mandate component is based on average time to implement each activity, multiplied by the average productive hourly rate for the relevant positions, then multiplied by the relevant workload statistic. The audit report adjusts all three components.

A. Average activity time

Activities 7 through 11: Using certification forms developed by the District's mandated cost consultant, dozens of District staff who implement the mandate in ten different surveys conducted over the 12-year audit period (FY 1998-99 excluded), each person estimated their individual times required to perform the reimbursable activities. These individual times resulted in the average times per student transaction of 17.6 to 27.8 minutes for Activities 7 through 11 over the 12 years. The draft audit concludes that the good faith estimates reported by District staff are not acceptable source documentation of actual costs and rejects the time estimates for the five activities.

Instead, the auditor observed District staff in the financial aid offices process a total of 121 in-person inquiries regarding BOGG waiver applications, 153 paper application re-evaluations, and 294 paperless applications during an observation period of a few days which yielded a average time to perform all five activities of 9.25 minutes or 1.85 minutes per activity. This 50% to 80% reduction in time allowed for in-person transactions is the first and largest source of the cost reduction. The auditor's observation sample size is not statistically adequate. The audited number of waivers is 777,558 over the 12-year period, of which less than 600 student transactions were observed in 2012. For this, and other reasons, the auditor's observation process does not constitute a representative "time study" sample.

B. Workload multipliers

The average staff time for each activity is multiplied by a specific workload factor for each activity to determine the claimable staff time. Both the District and the auditor used this method. For Activities 7 through 11, the draft audit report replaces the workload data reported by the District with BOGG award data obtained from the Chancellor's Office and removes the number of unduplicated BOGG recipients. These corrections made by the auditor are not disputed at this time.

C. Productive Hourly Rates

Discussed at Finding 11.

FINDING 8 Enrollment Fee Waivers: Reporting to the Community Colleges Chancellor (CCC) the number of and amounts provided for BOGG fee waivers cost component- unallowable ongoing costs

The District claimed \$143,357 in salaries and benefits during the audit period related to reporting to the Chancellor the number of and amounts provided for BOGG fee waivers. The draft audit report states that \$31,812 is allowable and \$111,545 is unallowable because “the time claimed was overstated based on an estimated time to perform the reimbursable activity.” Based on information from the district’s current IT staff, the time to perform this activity is currently 40 hours per fiscal year. About 90% of the disallowed staff time (\$112,460 of \$122,134) occurred before FY 2006-07, when the parameters and guidelines became available to district.

As in previous findings, the audit report cites the parameters and guideline’s general documentation standards and the requirement that claimed costs to be supported by source documents created at or near the same time the actual cost was incurred. However, there is no prohibition against claiming good faith estimates of actual time and the auditor has accepted these estimates here and for other findings. Not included in this finding is an explanation of what activities the auditor determined to be excessive or unreasonable. It is the District’s position for this and other findings, that absent information to the contrary, the individual staff person’s interpretation of the parameters and guidelines language, since they implement the mandate program, is more valid than a post facto interpretation by an auditor who does not implement the mandate program. In fact, it is our understanding that the employee’s interpretation was accepted in other Statewide audits.

FINDING 9 Unallowable indirect costs

The District claimed indirect costs during the audit period totaling \$4,620,805 for enrollment fee collection activities and \$2,251,288 for enrollment fee waiver activities. The audit report states that for enrollment fee collection activities, \$610,003 is allowable and \$4,010,802 is unallowable. For enrollment fee waiver activities, \$1,205,886 is allowable and \$1,045,402 is unallowable. The indirect costs are reduced as a result of Findings 1 through 8 and differences in how the Controller’s FAM-29C methodology was used, except FY 2005-06 when a federal rate method was used.

<u>Fiscal Year</u>	<u>Claimed</u>	<u>Allowable</u>	<u>Adjustment</u>
1998-99	33.73%	14.72%	-19.01%
1999-00	33.68%	15.61%	-18.07%
2000-01	34.00%	14.93%	-19.07%
2001-02	32.79%	15.95%	-16.84%

2002-03	31.09%	16.47%	-14.62%
2003-04	30.88%	16.26%	-14.62%
2004-05	31.96%	35.76%	3.80%
2005-06	30.00%	30.00%	0.00%
2006-07	37.70%	37.70%	0.00%
2007-08	36.16%	38.75%	2.59%
2008-09	37.02%	40.28%	3.26%
2009-10	43.60%	42.37%	- 1.23%
2010-11	43.60%	43.22%	- 0.38%

For FY 1998-99 through FY 2000-01, the Controller used the audited indirect cost rates from a previous audit of the District's Health Fee Elimination Program issued in June 2004. For FY 2001-02, the Controller used the audited indirect cost rates from a previous audit of the District's Collective Bargaining Program issued in December 2007. For FY 2002-03 through FY 2004-05, the Controller used the audited indirect cost rates from a previous audit of the District's Health Fee Elimination Program issued in May 2008. The District accepts the use of the indirect cost rates calculated for other mandate audits. However, the District disagrees with those audited rates, and has already filed incorrect reduction claims for those other mandate audits.

The large differences prior to FY 2004-05 are the result of the District including capital costs and the Controller excluding capital costs from the calculation. The annual claims used the "capital costs" reported in the CCFS-311 until after FY 2004-05 when the annual CPA-audited financial statement depreciation expense was used in lieu of capital costs. The audit excluded the capital costs every year until FY 2004-05 when depreciation was included by change in Controller policy. The Controller has not stated a legal or factual reason to previously exclude or now include capital or depreciation costs.

For FY 2005-06, the District used a federally approved rate which was accepted by the auditor, except that the District applied the indirect cost rate to salaries and benefits and the auditor limited the application of the indirect cost rates to salaries only. The draft audit report provides no citation for this limitation.

For FY 2006-07 through FY 2010-11, both the District and the auditor calculated the indirect cost rates using the SCO FAM-29C methodology based on the CCFS-311. The minor differences between the claimed rates and audited rates beginning FY 2007-08, derive from the choice of how some of the costs are categorized as either direct or indirect for purposes of the calculation. These minor differences are within the realm of a reasonable interpretation of the nature (either direct or indirect) of the costs reported for each CCFS-311 account and the audit findings have not indicated otherwise. The audit report does not state that the District's calculations are unreasonable, just that they aren't exactly the same as the Controller's calculations using the same method.

There are no regulations or pertinent generally accepted methods for the calculation of the indirect cost rate, so it is a matter of professional judgment. The Controller's claiming instructions are unenforceable because they have not been adopted as

regulations under the Administrative Procedure Act. The burden of proof is on the Controller to prove that the product of the District's calculation is unreasonable, not to recalculate the rate according to their unenforceable policy preferences. However, this is a statewide audit issue included in dozens of other incorrect reduction claims already filed that will have to be resolved by decision of the Commission on State Mandates.

FINDING 10 Misstated offsetting reimbursements

The offsetting amounts are not actually "reimbursements," rather they are funds provided by the state to implement the program and are based on statutory rates and not actual cost. The offsetting revenues identified in the parameters and guidelines (Part VII) are of three types: the enrollment fee collection 2% administrative offset for all fiscal years, the enrollment fee waiver 2% BFAP allocation beginning FY 2000-01, and the \$.91 per unit waived BFAP-SFAA allocation beginning FY 2000-01 (7% for FY 1999-00 only).

The District claimed offsetting program revenues totaling \$2,490,136 for enrollment fee collection and \$6,812,932 for enrollment fee waivers. The draft audit reports states that offsetting revenues were misstated by \$12,835 (overstated by \$318,751 and understated by \$331,586) for enrollment fee collection and misstated by \$1,951,815 (overstated \$2,163,452 and understated by \$211,37) for enrollment fee waivers. The offsetting revenues are only "misstated" because the District claims did not match the same revenue amounts as the Chancellor's Office data for enrollment fee collection or enrollment fee waivers in any fiscal year of the audit period. The auditor's amounts are based on a post-facto data query to the Chancellor's data using seasoned data not available at the time of the claim preparation. Claimants, at the time the annual claims are prepared, must calculate the amounts based on available district enrollment information and the number of units waived, which would be a continuing source of minor differences.

However, the differences here are not minor. The magnitude of the offsetting revenue adjustment results from the amount of the disallowed activity costs in Findings 1 through 9, since the offset cannot exceed the reimbursable cost. As the amount of audited cost decreases, there is a corresponding decrease in applicable offsetting revenues. For example, for the enrollment fee waiver component, the offset exceeds the audited program cost each and every year. If the approved program costs increase as a result of the incorrect reduction claim, these offsetting revenue differences will increase in the same amount.

The District concurs and complied with the auditor's recommendation that claimants should report the revenue sources identified in the parameters and guidelines as an offset to the program costs. The District reported amounts based on information available at the time of claim preparation. There is no dispute of these audited amounts at this time.

Finding 11 Misstated productive hourly rates for Calculating and Collecting Enrollment Fees and Waiving Student Fees cost component

As described in Findings 3 and 7, an average hour salary and benefit rate is used for the activities in which several staff of the same position implement the same mandate activities. The District used a simple average of the individual rates. The draft audit report concludes that the District erred by not weighting productive hourly rates for the twelve program activities. There is no requirement in the parameters and guidelines to use weighted productive hourly rates and no factual basis to do so was provided by the audit report. The average of variances are less than one dollar and most of the audited variances are less than thirty cents, or about 2% for any one position calculation, except where a weighted average was used. The District accepts the auditor's extensive work on calculating the individual rates, but disputes the unfounded requirement to use weighted averages.

Public Records Request

The District requests that the Controller provide the District any and all written instructions, memoranda, or other writings in effect and applicable to the audit procedures and findings for audits of this mandate program. Government Code Section 6253, subdivision c, requires the state agency that is the subject of the request, within ten days from receipt of a request for a copy of records, to determine whether the request, in whole or in part, seeks copies of disclosable public records in possession of the agency and promptly notify the requesting party of that determination and the reasons therefore. Also, as required, when so notifying the District, the agency must state the estimated date and time when the records will be made available.

Sincerely,



Jon Sharpe, Deputy Chancellor
Los Rios Community College District

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

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

PALOMAR COMMUNITY COLLEGE DISTRICT

Audit Report

ENROLLMENT FEE COLLECTION AND WAIVERS PROGRAM

Education Code Section 76300 and *California Code of Regulations*, Title 5, Sections 58501-58503, 58611-58613, 58620, and 58630

July 1, 1998, through June 30, 2011



JOHN CHIANG
California State Controller

April 2013



JOHN CHIANG
California State Controller

April 22, 2013

Nancy C. Chadwick, Board President
Governing Board
Palomar Community College District
1140 West Mission Road
San Marcos, CA 92069

Dear Ms. Chadwick:

The State Controller's Office audited the costs claimed by the Palomar Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program Education Code section 76300 and *California Code of Regulations*, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630 for the period of July 1, 1998, through June 30, 2011.

The district claimed \$11,572,787 (\$11,582,787 less a \$10,000 penalty for filing a late claim) for the mandated program. Our audit found that \$41,281 is allowable and \$11,531,506 is unallowable. The costs are unallowable primarily because the district claimed estimated costs that were not supported by source documentation, claimed ineligible time, overstated student enrollment numbers, understated the number of Board of Governors Grant fee waivers, misstated indirect cost rates, and misstated eligible offsetting revenues. The State paid the district \$693,356. The amount paid exceeds allowable costs claimed by \$652,075.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at www.csm.ca.gov/docs/IRCForm.pdf.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/vb

cc: Robert P. Deegan, Superintendent/President
Palomar Community College District
Ron Ballesteros-Perez, Vice President
Palomar Community College District
Phyllis Laderman, Director of Fiscal Services
Palomar Community College District
Christine Atalig, Specialist
College Finance and Facilities Planning
California Community Colleges Chancellor's Office
Ed Hanson, Principal Program Budget Analyst
Education Systems Unit
California Department of Finance
Mario Rodriguez, Finance Budget Analyst
Education Systems Unit
California Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the Palomar Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and *California Code of Regulations*, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2011.

The district claimed \$11,572,787 (\$11,582,787 less a \$10,000 penalty for filing a late claim) for the mandated program. Our audit found that \$41,281 is allowable and \$11,531,506 is unallowable. The costs are unallowable primarily because the district claimed estimated costs that were not supported by source documentation, claimed ineligible time, overstated student enrollment numbers, understated the number of Board of Governors Grant (BOGG) fee waivers, misstated indirect cost rates, and misstated eligible offsetting revenues. The State paid the district \$693,356. The amount paid exceeds allowable costs claimed by \$652,075.

Background

Education Code section 76300 and Title 5, *California Code of Regulations*, sections 58501-58503, 58611-58613, 58620, and 58630, authorize community college districts to calculate and collect student enrollment fees and to waive student fees in certain instances. The codes also direct community college districts to report the number of, and amounts provided for BOGG fee waivers and, pursuant to Title 5, *California Code of Regulations*, Division 6, Chapter 9, Subchapter 7, section 58630, to adopt procedures that will document all financial assistance provided on behalf of students.

The sections were added and/or amended by:

- Chapter 1, Statutes of 1984;
- Chapter 274 and 1401, Statutes of 1984;
- Chapter 920 and 1454, Statutes of 1985;
- Chapter 46 and 395, Statutes of 1986;
- Chapter 1118, Statutes of 1987;
- Chapter 136, Statutes of 1989;
- Chapter 114, Statutes of 1991;
- Chapter 703, Statutes of 1992;
- Chapter 8, 66, 67, and 1124, Statutes of 1993;
- Chapter 153 and 422, Statutes of 1994;
- Chapter 308, Statutes of 1995;
- Chapter 63, Statutes of 1996; and
- Chapter 72, Statutes of 1999.

On April 24, 2003, the Commission on State Mandates (CSM) adopted the Statement of Decision for the Enrollment Fee Collection and Waivers Program. The CSM found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on community college districts within the meaning of Article XIII B, Section 6 of the California Constitution and Government Code section 17514.

The CSM found that the following activities are reimbursable:

- Calculating and collecting the student enrollment fee for each student enrolled except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f).
- Waiving student fees in accordance with the groups listed in Education Code section 76300, subdivisions (g) and (h).
- Waiving fees for students who apply for and are eligible for BOGG fee waivers.
- Reporting to the Community Colleges Chancellor the number of and amounts provided for BOGG fee waivers.
- Adopting procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5 of the *California Code of Regulations*; and including in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 26, 2006. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and 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 Enrollment Fee Collection and Waivers Program for the period of July 1, 1998, through June 30, 2011.

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

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. Except for the issue noted below, we conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We were unable to assess fraud risk because the district, based on direction of the district's Director of Fiscal Services, did not respond to our inquiries regarding fraud assessment. We increased our substantive testing; however, increased testing would not necessarily identify a fraud or abuse that may have occurred.

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

Conclusion

Our audit found 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 Palomar Community College District claimed \$11,572,787 (\$11,582,787 less a \$10,000 penalty for filing a late claim) for costs of the Enrollment Fee Collection and Waivers Program. Our audit found that \$41,281 is allowable and \$11,531,506 is unallowable.

For fiscal year (FY) 1998-99 claim, the State paid the district \$36,404. Our audit found that costs claimed are unallowable. The State will offset \$36,404 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 1999-2000 claim, the State made no payment to the district. Our audit found that claimed costs are unallowable.

For the FY 2000-01 claim, the State made no payment to the district. Our audit found that \$12,792 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$12,792, contingent upon available appropriations.

For the FY 2001-02 claim, the State made no payment to the district. Our audit found that \$18,274 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$18,274, contingent upon available appropriations.

For the FY 2002-03 claim, the State made no payment to the district. Our audit found that \$10,215 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$10,215, contingent upon available appropriations.

For the FY 2003-04 claim, the State made no payment to the district. Our audit found that claimed costs are unallowable.

For the FY 2004-05 claim, the State made no payment to the district. Our audit found that claimed costs are unallowable.

For the FY 2005-06 claim, the State made no payment to the district. Our audit found that claimed costs are unallowable.

For the FY 2006-07 claim, the State made no payment to the district. Our audit found that claimed costs are unallowable.

For the FY 2007-08 claim, the State made no payment to the district. Our audit found that claimed costs are unallowable.

For the FY 2008-09 claim, the State paid the district \$299,691. Our audit found that claimed costs are unallowable. The State will offset \$299,691 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 2009-10 claim, the State paid the district \$357,261. Our audit found that claimed costs are unallowable. The State will offset \$357,261 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 2010-11 claim, the State made no payment to the district. Our audit found that claimed costs are unallowable.

**Views of
Responsible
Official**

We issued a draft audit report on February 22, 2013. Ron Ballesteros-Perez, Vice President, responded by letter dated March 28, 2013 (Attachment 1) agreeing with the audit results except for Findings 3, 4, and 7. This final audit report includes the district's response.

Restricted Use

This report is solely for the information and use of the Palomar 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, CPA
Chief, Division of Audits

April 22, 2013

**Schedule 1—
Summary of Program Costs
July 1, 1998, through June 30, 2011**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 1998, through June 30, 1999</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Calculating and collecting enrollment fees	\$ 259,424	\$ 51,102	\$ (208,322)	Finding 3
Total direct costs	259,424	51,102	(208,322)	
Indirect costs	84,598	7,670	(76,928)	Finding 8
Total direct and indirect costs	344,022	58,772	(285,250)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(22,321)	(64,114)	(41,793)	Finding 9
Adjustment for unused portion of offsets ²	—	5,342	5,342	Finding 9
Total program costs	<u>\$ 321,701</u>	—	<u>\$ (321,701)</u>	
Less amount paid by the State		(36,404)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (36,404)</u>		
<u>July 1, 1999, through June 30, 2000</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 219	\$ 219	\$ —	
Calculating and collection enrollment fees	282,619	52,340	(230,279)	Finding 3
Total direct costs	282,838	52,559	(230,279)	
Indirect costs	92,969	9,061	(83,908)	Finding 8
Total direct and indirect costs	375,807	61,620	(314,187)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(20,131)	(68,148)	(48,017)	Finding 9
Adjustment for unused portion of offsets ²	—	6,528	6,528	Finding 9
Total enrollment fee collection	<u>355,676</u>	—	<u>(355,676)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	170	170	—	Finding 4
Staff training	340	340	—	Finding 5
Adopt procedures, record, and maintain records	—	493	493	Finding 6
Waiving student fees	26,003	2,033	(23,970)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	170	170	—	
Total direct costs	26,683	3,206	(23,477)	
Indirect costs	8,771	553	(8,218)	Finding 8

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 1999, through June 30, 2000 (continued)</u>				
Total direct and indirect costs	35,454	3,759	(31,695)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(17,511)	(83,694)	(66,183)	Finding 9
Adjustment for unused portion of offsets ²	—	79,935	79,935	Finding 9
Total enrollment fee waivers	<u>17,943</u>	<u>—</u>	<u>(17,943)</u>	
Total program costs	<u>\$ 373,619</u>	<u>—</u>	<u>\$ (373,619)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2000, through June 30, 2001</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 192	\$ 192	\$ —	Finding 1
Calculating and collecting enrollment fees	397,467	68,458	(329,009)	Finding 3
Total direct costs	<u>397,659</u>	<u>68,650</u>	<u>(329,009)</u>	
Indirect costs	<u>139,817</u>	<u>10,819</u>	<u>(128,998)</u>	Finding 8
Total direct and indirect costs	537,476	79,469	(458,007)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(13,841)	(66,677)	(52,836)	Finding 9
Total enrollment fee collection	<u>523,635</u>	<u>12,792</u>	<u>(510,843)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	212	212	—	Finding 4
Staff training	425	425	—	Finding 5
Adopt procedures, record, and maintain records	—	715	715	Finding 6
Waiving student fees	37,476	10,748	(26,728)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	212	212	—	
Total direct costs	<u>38,325</u>	<u>12,312</u>	<u>(26,013)</u>	
Indirect costs	<u>13,475</u>	<u>1,940</u>	<u>(11,535)</u>	Finding 8
Total direct and indirect costs	51,800	14,252	(37,548)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(38,326)	(71,048)	(32,722)	Finding 9
Adjustment for unused portion of offsets ²	—	56,796	56,796	Finding 9
Total enrollment fee waivers	<u>13,474</u>	<u>—</u>	<u>(13,474)</u>	
Total program costs	<u>\$ 537,109</u>	<u>12,792</u>	<u>\$ (524,317)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 12,792</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
July 1, 2001, through June 30, 2002				
Direct costs - salaries and benefits:				
Calculating and collecting enrollment fees	\$ 457,041	\$ 72,368	\$ (384,673)	Finding 3
Total direct costs	457,041	72,368	(384,673)	
Indirect costs	161,838	12,976	(148,862)	Finding 8
Total direct and indirect costs	618,879	85,344	(533,535)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(3,775)	(67,070)	(63,295)	Finding 9
Total enrollment fee collection	615,104	18,274	(596,830)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	231	231	—	Finding 4
Staff training	462	462	—	Finding 5
Adopt procedures, record, and maintain records	—	934	934	Finding 6
Waiving student fees	40,407	11,845	(28,562)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	231	231	—	
Total direct costs	41,331	13,703	(27,628)	
Indirect costs	14,636	2,457	(12,179)	Finding 8
Total direct and indirect costs	55,967	16,160	(39,807)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(41,331)	(54,809)	(13,478)	Finding 9
Adjustment for unused portion of offsets ²	—	38,649	38,649	Finding 9
Total enrollment fee waivers	14,636	—	(14,636)	
Total program costs	\$ 629,740	18,274	\$ (611,466)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ 18,274		
July 1, 2002, through June 30, 2003				
Direct costs - salaries and benefits:				
Calculating and collecting enrollment fees	\$ 442,576	\$ 70,286	\$ (372,290)	Finding 3
Total direct costs	442,576	70,286	(372,290)	
Indirect costs	149,237	10,761	(138,476)	Finding 8
Total direct and indirect costs	591,813	81,047	(510,766)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(13,864)	(70,832)	(56,968)	Finding 9
Total enrollment fee collection	577,949	10,215	(567,734)	
<i>Enrollment fee waivers:</i>				
Prepare policies and procedures	245	245	—	Finding 4
Staff training	490	490	—	Finding 5
Adopt procedures, record, and maintain records	—	924	924	Finding 6
Waiving student fees	44,654	24,781	(19,873)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	245	245	—	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003 (continued)</u>				
Total direct costs	45,634	26,685	(18,949)	
Indirect costs	15,388	4,085	(11,303)	Finding 8
Total direct and indirect costs	61,022	30,770	(30,252)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(45,634)	(81,422)	(35,788)	Finding 9
Adjustment for unused portion of offsets ²	—	50,652	50,652	Finding 9
Total enrollment fee waivers	15,388	—	(15,388)	
Total program costs	<u>\$ 593,337</u>	10,215	<u>\$ (583,122)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 10,215</u>		
<u>July 1, 2003, through June 30, 2004</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 1,045	\$ 1,045	\$ —	Finding 1
Staff training	446	446	—	Finding 2
Calculating and collecting enrollment fees	474,093	71,199	(402,894)	Finding 3
Total direct costs	475,584	72,690	(402,894)	
Indirect costs	140,583	10,089	(130,494)	Finding 8
Total direct and indirect costs	616,167	82,779	(533,388)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(27,078)	(112,206)	(85,128)	Finding 9
Adjustment for unused portion of offsets ²	—	29,427	29,427	Finding 9
Total enrollment fee collection	589,089	—	(589,089)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	324	324	—	Finding 4
Staff training	649	649	—	Finding 5
Adopt procedures, record, and maintain records	—	1,162	1,162	Finding 6
Waiving student fees	65,613	30,108	(35,505)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	383	383	—	
Total direct costs	66,969	32,626	(34,343)	
Indirect costs	19,796	4,528	(15,268)	Finding 8
Total direct and indirect costs	86,765	37,154	(49,611)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(66,969)	(101,704)	(34,735)	Finding 9
Adjustment for unused portion of offsets ²	—	64,550	64,550	Finding 9
Total enrollment fee waivers	19,796	—	(19,796)	
Total program costs	<u>\$ 608,885</u>	—	<u>\$ (608,885)</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 ¹
<u>July 1, 2004, through June 30, 2005</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 1,605	\$ 1,605	\$ —	Finding 1
Staff training	191	191	—	Finding 2
Calculating and collecting enrollment fees	515,930	71,001	(444,929)	Finding 3
Total direct costs	517,726	72,797	(444,929)	
Indirect costs	142,737	17,166	(125,571)	Finding 8
Total direct and indirect costs	660,463	89,963	(570,500)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(38,296)	(156,726)	(118,430)	Finding 9
Adjustment for unused portion of offsets ²	—	66,763	66,763	Finding 9
Total enrollment fee collection	622,167	—	(622,167)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	1,065	1,065	—	Finding 4
Staff training	891	891	—	Finding 5
Adopt procedures, record, and maintain records	—	1,254	1,254	Finding 6
Waiving student fees	91,403	41,903	(49,500)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	421	421	—	
Total direct costs	93,780	45,534	(48,246)	
Indirect costs	25,855	10,737	(15,118)	Finding 8
Total direct and indirect costs	119,635	56,271	(63,364)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(93,780)	(116,298)	(22,518)	Finding 9
Adjustment for unused portion of offsets ²	—	60,027	60,027	Finding 9
Total enrollment fee waivers	25,855	—	(25,855)	
Total program costs	<u>\$ 648,022</u>	—	<u>\$ (648,022)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2005, through June 30, 2006</u>				
Direct costs - salaries and benefits:				
Staff training	\$ 196	\$ 196	\$ —	Finding 2
Calculating and collection enrollment fees	552,012	79,405	(472,607)	Finding 3
Total direct costs	552,208	79,601	(472,607)	
Indirect costs	140,703	19,733	(120,970)	Finding 8
Total direct and indirect costs	692,911	99,334	(593,577)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(36,402)	(158,863)	(122,461)	Finding 9
Adjustment for unused portion of offsets ²	—	59,529	59,529	Finding 9
Total enrollment fee collection	656,509	—	(656,509)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2005, through June 30, 2006 (continued)</u>				
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	570	570	—	Finding 4
Staff training	940	940	—	Finding 5
Adopt procedures, record, and maintain records	—	1,577	1,577	Finding 6
Waiving student fees	102,805	46,125	(56,680)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	511	511	—	
Total direct costs	104,826	49,723	(55,103)	
Indirect costs	26,709	12,326	(14,383)	Finding 8
Total direct and indirect costs	131,535	62,049	(69,486)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(104,826)	(106,485)	(1,659)	Finding 9
Adjustment for unused portion of offsets ²	—	44,436	44,436	Finding 9
Total enrollment fee waivers	26,709	—	(26,709)	
Total program costs	<u>\$ 683,218</u>	—	<u>\$ (683,218)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2006, through June 30, 2007</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Calculating and collecting enrollment fees	\$ 1,108,900	\$ 84,869	\$ (1,024,031)	Finding 3
Total direct costs	1,108,900	84,869	(1,024,031)	
Indirect costs	315,371	19,817	(295,554)	Finding 8
Total direct and indirect costs	1,424,271	104,686	(1,319,585)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(53,254)	(140,679)	(87,425)	Finding 9
Adjustment for unused portion of offsets ²	—	35,993	35,993	Finding 9
Total enrollment fee collection	1,371,017	—	(1,371,017)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Adopt procedures, record and maintain records	—	1,650	1,650	Finding 2
Waiving student fees	105,521	50,197	(55,324)	Finding 7
Total direct costs	105,521	51,847	(53,674)	
Indirect costs	30,010	12,106	(17,904)	Finding 8
Total direct and indirect costs	135,531	63,953	(71,578)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(105,521)	(130,033)	(24,512)	Finding 9
Adjustment for unused portion of offsets ²	—	66,080	66,080	Finding 9

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2006, through June 30, 2007 (continued)</u>				
Total enrollment fee waivers	30,010	—	(30,010)	
Total costs	1,401,027	—	(1,401,027)	
Less late filing penalty	(10,000)	—	10,000	
Total program costs	<u>\$ 1,391,027</u>	—	<u>\$ (1,391,027)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2007, through June 30, 2008</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Calculating and collecting enrollment fees	\$ 1,273,715	\$ 99,780	\$ (1,173,935)	Finding 3
Total direct costs	1,273,715	99,780	(1,173,935)	
Indirect costs	362,245	26,551	(335,694)	Finding 8
Total direct and indirect costs	1,635,960	126,331	(1,509,629)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(41,784)	(128,290)	(86,506)	Finding 9
Adjustment for unused portion of offsets ²	—	1,959	1,959	Finding 9
Total enrollment fee collection	<u>1,594,176</u>	—	<u>(1,594,176)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Adopt procedures, record, and maintain records	—	1,825	1,825	Finding 6
Waiving student fees	141,986	57,348	(84,638)	Finding 7
Total direct costs	141,986	59,173	(82,813)	
Indirect costs	40,381	15,746	(24,635)	Finding 8
Total direct and indirect costs	182,367	74,919	(107,448)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(141,986)	(122,331)	19,655	Finding 9
Adjustment for unused portion of offsets ²	—	47,412	47,412	Finding 9
Total enrollment fee waivers	<u>40,381</u>	—	<u>(40,381)</u>	
Total program costs	<u>\$ 1,634,557</u>	—	<u>\$ (1,634,557)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2008, through June 30, 2009</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 67	\$ 67	\$ —	Finding 1
Staff training	667	667	—	Finding 2
Calculating and collection enrollment fees	1,605,706	97,056	(1,508,650)	Finding 3

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
July 1, 2008, through June 30, 2009 (continued)				
Total direct costs	1,606,440	97,790	(1,508,650)	
Indirect costs	383,457	26,472	(356,985)	Finding 8
Total direct and indirect costs	1,989,897	124,262	(1,865,635)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(128,224)	(128,224)	—	Finding 9
Adjustment for unused portion of offsets ²	—	3,962	3,962	Finding 9
Total enrollment fee collection	1,861,673	—	(1,861,673)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	151	151	—	Finding 4
Staff training	504	504	—	Finding 5
Adopt procedures, record, and maintain records	38,291	1,859	(36,432)	Finding 6
Waiving student fees	122,728	61,880	(60,848)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	302	302	—	
Total direct costs	161,976	64,696	(97,280)	
Indirect costs	38,664	17,513	(21,151)	Finding 8
Total direct and indirect costs	200,640	82,209	(118,431)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(115,586)	(123,589)	(8,003)	Finding 9
Adjustment for unused portion of offsets ²	—	41,380	41,380	Finding 9
Total enrollment fee waivers	85,054	—	(85,054)	
Total program costs	\$ 1,946,727	—	\$ (1,946,727)	
Less amount paid by the State		(299,691)		
Allowable costs claimed in excess of (less than) amount paid		\$ (299,691)		
July 1, 2009, through June 30, 2010				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 70	\$ 70	\$ —	Finding 1
Staff training	702	702	—	Finding 2
Calculating and collecting enrollment fees	1,349,914	102,564	(1,247,350)	Finding 3
Total direct costs	1,350,686	103,336	(1,247,350)	
Indirect costs	341,453	29,006	(312,447)	Finding 8
Total direct and indirect costs	1,692,139	132,342	(1,559,797)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(157,133)	(157,133)	—	Finding 9
Adjustment for unused portion of offsets ²	—	24,791	24,791	Finding 9
Total enrollment fee collection	1,535,006	—	(1,535,006)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2009, through June 30, 2010 (continued)</u>				
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	155	155	—	Finding 4
Staff training	516	516	—	Finding 5
Adopt procedures, record, and maintain records	54,209	1,875	(52,334)	Finding 6
Waiving student fees	170,316	75,465	(94,851)	Finding 7
Reporting BOGG fee waiver data to CCCCCO	309	309	—	
Total direct costs	225,505	78,320	(147,185)	
Indirect costs	57,007	21,984	(35,023)	Finding 8
Total direct and indirect costs	282,512	100,304	(182,208)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(138,745)	(139,436)	(691)	Finding 9
Adjustment for unused portion of offsets ²	—	39,132	39,132	Finding 9
Total enrollment fee waivers	143,767	—	(143,767)	
Total program costs	<u>\$ 1,678,773</u>	—	<u>\$ (1,678,773)</u>	
Less amount paid by the State		<u>(357,261)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (357,261)</u>		
<u>July 1, 2010, through June 30, 2011</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 16,838	\$ —	\$ (16,838)	Finding 1
Staff training	5,234	—	(5,234)	Finding 2
Calculating and collecting enrollment fees	228,386	106,235	(122,151)	Finding 3
Total direct costs	250,458	106,235	(144,223)	
Indirect costs	65,620	30,043	(35,577)	Finding 8
Total direct and indirect costs	316,078	136,278	(179,800)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(142,296)	(142,296)	—	Finding 9
Adjustment for unused portion of offsets ²	—	6,018	6,018	Finding 9
Total enrollment fee collection	173,782	—	(173,782)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	284,905	—	(284,905)	Finding 4
Staff training	6,960	—	(6,960)	Finding 5
Adopt procedures, record, and maintain records	58,921	1,796	(57,125)	Finding 6
Waiving student fees	59,072	90,934	31,862	Finding 7
Reporting BOGG fee waiver data to CCCCCO	428	428	—	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
July 1, 2010, through June 30, 2011 (continued)				
Total direct costs	410,286	93,158	(317,128)	
Indirect costs	107,495	26,345	(81,150)	Finding 8
Total direct and indirect costs	517,781	119,503	(398,278)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(165,491)	(161,472)	4,019	Finding 9
Adjustment for unused portion of offsets ²	—	41,969	41,969	Finding 9
Total enrollment fee waivers	352,290	—	(352,290)	
Total program costs	<u>\$ 526,072</u>	—	<u>\$ (526,072)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
Summary: July 1, 1998, through June 30, 2011				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	\$ 20,036	\$ 3,198	\$ (16,838)	
Staff training	7,436	2,202	(5,234)	
Calculating and collection enrollment fees	8,947,783	1,026,663	(7,921,120)	
Total direct costs	8,975,255	1,032,063	(7,943,192)	
Indirect costs	2,520,628	230,164	(2,290,464)	
Total direct and indirect costs	11,495,883	1,262,227	(10,233,656)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(698,399)	(1,461,258)	(762,859)	
Adjustment for unused portion of offsets	—	240,312	240,312	
Total enrollment fee collection	10,797,484	41,281	(10,756,203)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits:				
Prepare policies and procedures	288,028	3,123	(284,905)	
Staff training	12,177	5,217	(6,960)	
Adopt procedures, record, and maintain records	151,421	16,064	(135,357)	
Waiving student fees	1,007,984	503,367	(504,617)	
Reporting BOGG fee waiver data to CCCCCO	3,212	3,212	—	
Total direct costs	1,462,822	530,983	(931,839)	
Indirect costs	398,187	130,320	(267,867)	
Total direct and indirect costs	1,861,009	661,303	(1,199,706)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(1,075,706)	(1,292,321)	(216,615)	
Adjustment for unused portion of offsets	—	631,018	631,018	
Total enrollment fee waivers	785,303	—	(785,303)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>Summary: July 1, 1998, through June 30, 2011 (continued)</u>				
Total costs	11,582,787	41,281	(11,541,506)	
Less late filing penalty	<u>(10,000)</u>	—	<u>10,000</u>	
Total program costs	<u>\$ 11,572,787</u>	41,281	<u>\$ (11,531,506)</u>	
Less amount paid by the State		<u>(693,356)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (652,075)</u>		

¹ See the Findings and Recommendations section.

² Offsetting savings and reimbursements are limited to total allowable direct and indirect costs and are calculated separately for enrollment fee collection and enrollment fee waivers.

Findings and Recommendations

**FINDING 1—
Enrollment Fee
Collection: Preparing
Policies and Procedures
Cost Component –
unallowable one-time
costs**

The district claimed \$20,036 in salaries and benefits during the audit period for the one-time activity of preparing district policies and procedures for the collection of enrollment fees. We determined that \$3,198 is allowable and \$16,838 claimed for fiscal year (FY) 2010-11 is unallowable. Costs claimed for fiscal years prior to FY 2010-11 were allowable because they were below our threshold of materiality for testing.

Costs claimed for FY 2010-11 are unallowable because the district did not provide support that the costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding the collection of enrollment fees. Seventy-two percent of the costs claimed for FY 2010-11 (\$12,123) were for 250 hours spent by an Enrollment Services Specialist. The district also claimed 99 hours spent by 10 other staff members on the reimbursable activity. However, for costs to be reimbursable, the district must provide actual cost documentation supporting the extent to which it incurred costs for changes in district policies and procedures that resulted from changes in state law.

The following table summarizes the claimed, allowable, and audit adjustment amounts per fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and Benefits:			
1999-2000	\$ 219	\$ 219	\$ —
2000-01	192	192	—
2003-04	1,045	1,045	—
2004-05	1,605	1,605	—
2008-09	67	67	—
2009-10	70	70	—
2010-11	16,838	—	(16,838)
Total, salaries and benefits	<u>\$ 20,036</u>	<u>\$ 3,198</u>	<u>\$ (16,838)</u>

The program's parameters and guidelines (section IV—Reimbursable Activities) state: "To be eligible for mandated cost reimbursement, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records, time logs, sign-in sheets, invoices, and receipts."

The parameters and guidelines also state that salaries and benefits are reimbursable if claimants report each employee implementing the reimbursable activities by name, job classification, productive hourly rate; and provide a description of the specific reimbursable activities performed and the hours devoted to these activities.

The parameters and guidelines (section IV.A.1.a–Reimbursable Activities, Enrollment Fee Collection–One-Time Activities–Policies and Procedures) state that the preparation of policies and procedures is reimbursable as a one-time activity for collection of enrollment fees. The Commission on State Mandates (CSM) Final Staff Analysis for the Proposed Parameters and Guidelines dated January 13, 2006, for the one-time activity of adopting policies and procedures, states “. . . staff finds that updates to the policies and procedures would be subject to change in the community college district’s policy rather than state law, and would not be reimbursable.”

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

Since the costs associated with this finding are minimal, the District agrees with this finding and will ensure future claimed costs are based on actual cost that are properly supported.

SCO’s Comment

The finding and recommendation remain unchanged.

**FINDING 2—
Enrollment Fee
Collection: Training
Cost Component –
unallowable one-time
costs**

The district claimed \$7,436 in salaries and benefits during the audit period for the activity of training district staff who implement the program on the procedures for the collection of enrollment fees (one-time per employee). We determined that \$2,202 is allowable and \$5,234 (claimed for FY 2010-11) is unallowable. Costs claimed for fiscal years prior to FY 2010-11 were allowable because they were below our threshold of materiality for testing. For FY 2010-11, the district did not provide documentation related to the nature of the training provided, the length of the training, which district employees attended the training, or whether any of the costs related to trainers’ time. For costs to be reimbursable, the district must document the extent to which it incurred costs for training new district staff that implement the program on the procedures for the collection of enrollment fees.

The following table summarizes the claimed, allowable, and audit adjustment amounts per fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
2003-04	\$ 446	\$ 446	\$ —
2004-05	191	191	—
2005-06	196	196	—
2008-09	667	667	—
2009-10	702	702	—
2010-11	<u>5,234</u>	<u>—</u>	<u>(5,234)</u>
Total, salaries and benefits	<u>\$ 7,436</u>	<u>\$ 2,202</u>	<u>\$ (5,234)</u>

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents that were created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language).

The parameters and guidelines (section IV.A.1.b–Reimbursable Activities–Enrollment Fee Collection–One-Time Activities–Staff Training (one time per employee) state that staff training is reimbursable as a one-time cost per employee for training district staff who implement the program based on the procedures for the collection of enrollment fees. Consistent with the Final Staff Analysis for policies and procedures, training existing staff for changes in the community college district's policies and procedures is not reimbursable.

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

Since the District did not have new enrollment fee collection personnel for FY 2010-2011, we agree with the disallowance of the costs for FY 2010-2011. The District will implement cost calculating procedures ensuring future claimed costs are based on actual cost that are properly supported.

SCO’s Comment

The finding and recommendation remain unchanged.

**FINDING 3—
Enrollment fee
Collection:
Calculating and
Collecting Enrollment
Fees Cost Component
– unallowable ongoing
costs**

The district claimed \$8,947,783 in salaries and benefits for the Calculating and Collecting Enrollment Fees cost component during the audit period. We determined that \$1,026,663 is allowable and \$7,921,120 is unallowable. The costs are unallowable because the district estimated the amount of time required to perform the reimbursable activities. In addition, we noted variations in the number of students used in the district's calculations based on the student enrollment data reported to us by the California Community College Chancellor's Office (CCCCO) and the number of students who paid their enrollment fees online rather than in person, based on information provided to us by the district.

The following table summarizes the overstated ongoing costs related to calculating and collecting enrollment fees by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and Benefits:			
1998-99	\$ 259,424	\$ 51,102	\$ (208,322)
1999-2000	282,619	52,340	(230,279)
2000-01	397,467	68,458	(329,009)
2001-02	457,041	72,368	(384,673)
2002-03	442,576	70,286	(372,290)
2003-04	474,093	71,199	(402,894)
2004-05	515,930	71,001	(444,929)
2005-06	552,012	79,405	(472,607)
2006-07	1,108,900	84,869	(1,024,031)
2007-08	1,273,715	99,780	(1,173,935)
2008-09	1,605,706	97,056	(1,508,650)
2009-10	1,349,914	102,564	(1,247,350)
2010-11	228,386	106,235	(122,151)
Total	<u>\$ 8,947,783</u>	<u>\$ 1,026,663</u>	<u>\$ (7,921,120)</u>

The parameters and guidelines (section IV.A.2) allow ongoing activities related to costs for calculating and collecting the student enrollment fee for each student enrolled, with the exception of nonresidents and special part-time students cited in Government Code section 76300, subdivision (f), for the following six reimbursable activities:

- i. Referencing student accounts and records to determine course workload, status of payments, and eligibility for fee waiver. Printing a list of enrolled courses. **(Activity 1)**
- ii. Calculating the total enrollment fee to be collected. Identifying method of payment. Collecting cash and making change as necessary. Processing credit card and other non-cash payment transactions (however, any fees that may be charged to a community college district by a credit card company or bank are not reimbursable). Preparing a receipt for a payment received. **(Activity 2)**
- iii. Answering student's questions regarding enrollment fee collection or referring them to the appropriate person for an answer. **(Activity 3)**
- iv. Updating written and computer records for the enrollment fee information and providing a copy to the student. Copying and filing enrollment fee documentation. **(Activity 4)**

- v. Collecting delinquent enrollment fees, including written or telephonic collection notices to students, turning accounts over to collection agencies, or small claims court action. **(Activity 5)**
- vi. For students who establish fee waiver eligibility after the enrollment fee has been collected, providing a refund or enrollment fees paid and updating student and district records as required. (Refund process for change in program is not reimbursable). **(Activity 6)**

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents that were created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language).

Salaries and Benefits

For FY 1998-99 through FY 2009-10, the district claimed salaries and benefits for the six reimbursable activities under the Calculating and Collecting Enrollment Fees cost component using time allowances developed from the estimated time it took staff to complete various activities through the use of employees' annual survey forms. For FY 1998-99 through FY 2008-09, employees estimated the average time in minutes it took them to perform the six reimbursable activities per student per year on certification forms developed by the district's mandated cost consultants. For FY 2009-10, the district prepared its own claim, but used the same average time results that were in its claim for FY 2008-09. For FY 1998-99 through FY 2009-10, the district did not provide any source documentation based on actual data to support the estimated time allowances. For FY 2010-11, the district conducted a time study which included activities 1 through 5. However, the time increment observed by the district for Activity 1 was incorrectly claimed using 2.63 minutes instead of 0.78 minutes. The district also revised its estimate of the time required to conduct Activity 6.

The following table summarizes the minutes claimed for reimbursable activities 1 through 6.

Reimbursable Activity	Claimed				
	FY 1998-99 through FY 2001-02	FY 2002-03 through FY 2004-05	FY 2005-06	FY 2006-07 through FY 2009-10	FY 2010-11
1 Referencing Students Accounts	3.70	3.70	3.70	6.90	2.63
2 Calculating the Fee	5.10	5.10	5.10	3.80	0.56
3 Answering Questions	4.50	4.50	4.50	11.70	1.00
4 Updating Records	3.00	3.00	3.00	9.10	0.91
	<u>16.30</u>	<u>16.30</u>	<u>16.30</u>	<u>31.50</u>	<u>5.10</u>
5 Collecting Delinquent Fees	15.30	15.30	15.30	5.70	1.08
6 Providing Refunds	—	50.20	26.70	6.70	4.16
	<u>15.30</u>	<u>65.50</u>	<u>42.00</u>	<u>12.40</u>	<u>5.24</u>
Totals	<u>31.60</u>	<u>81.80</u>	<u>58.30</u>	<u>43.90</u>	<u>10.34</u>

As the mandated activities took place at the district during the audit period, we assessed whether or not the time estimates cited by district staff for FY 1998-99 through FY 2009-10 and the results of the district's time study for FY 2010-11 were reasonable. We held discussions with various district representatives in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Cashier's Office that collects enrollment fees from students. We documented the average time increments spent by district staff to perform these activities based on our observations.

In applying the time allowances, the district did not report the correct number of students related to the various reimbursable activities. We recalculated reimbursable activities using the correct number of students (multiplier). We determined that the district overstated salaries and benefits by \$7,921,120 for the audit period.

Activities 1 through 4—Activity 1-Referencing student accounts, Activity 2-Calculating and collecting the fee, Activity 3-Answering students' questions, Activity 4-Updating student records

Time Increments

Using certification forms developed by the district's mandated cost consultants; district employees estimated the time required to perform the reimbursable activities. Based on these certifications, the district developed time allowances per student of 16.30 minutes for its FY 1998-99 through FY 2005-06 claims and 31.50 minutes for its FY 2006-07 through FY 2009-10 claims. Based on our observations, we determined that the time allowances claimed for these activities for these years were overstated. The district conducted a time study for its FY 2010-11 claim and developed a time allowance of 5.10 minutes to perform Activities 1 through 4. However, the district incorrectly used the time increment of 2.63 minutes that it observed for Activity 3 (answering student questions regarding enrollment fee waivers) for Activity 1 (referencing student accounts) instead of the 0.78 minutes that was recorded in the time study for time spent referencing student accounts. As a result, the total time allowance for FY 2010-11 should have been claimed as 3.25 minutes for Activities 1 through 4.

We held discussions with various district representatives during the audit in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Cashier's Office performing the reimbursable activities as well as other non-mandated activities. We documented the average time increments spent by district staff to perform the reimbursable activities based on our observations.

As the time study conducted by the district showed that it takes staff approximately 3.25 minutes to perform Activities 1 through 4, we concluded that the district's time study results are reasonable and consistent with our observations. In order to provide an actual cost basis on which to determine allowable costs for the district's claims prior to FY 2010-11, we applied the results of the district's time study to all years of the audit period.

Multiplier Calculation

For Activities 1 through 4, the district claimed costs by multiplying the number of students (multiplier) by a uniform time allowance and an annual average productive hourly rate. For Activities 1 and 3, the district used the number of total enrolled students as the multiplier. In determining student enrollment, the district used the “Student Headcount by Unit Load” summary report obtained from the CCCCCO’s Website. However, this report includes duplicated students by term. The district did not deduct ineligible non-resident and special admit students (students who attend a community college while in high school pursuant to Education Code section 76001). For Activity 2, the district used the number of total enrolled students less the number of BOGG fee waivers granted. For Activity 4, the district used the number of total enrolled students less the number of BOGG fee waivers granted as the multiplier from FY 1998-99 through FY 2007-08. However, the district used the number of total enrolled students for Activity 4 without excluding the number of BOGG fee waivers granted from FY 2008-09 through FY 2010-11.

We updated the district’s calculations of eligible students for Activities 1 and 3 based on the number of students enrolled as reported to the CCCCCO, less non-resident students and special admit students. The CCCCCO’s management information system (MIS) identifies enrollment information based on student data that the district reported. The CCCCCO identifies the district’s enrollment based on CCCCCO’s MIS data element STD 7, codes A through G. The CCCCCO eliminates any duplicate students by term based on their Social Security number.

We also updated the district’s calculations of eligible students for Activities 2 and 4 by deducting the number of BOGG recipients from reimbursable student enrollment confirmed by the CCCCCO. The CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F. In addition, we added the number of refunds claimed for students who paid their enrollment fees and were subsequently granted a BOGG fee waiver and deducted students who paid their enrollment through the district’s online system.

For the audit period, the district provided a breakdown of the number of students who paid their enrollment fees by phone, through the district’s online system, and in person. Based on the information provided by the district, we determined the percentage of enrollment fees paid at the Cashier’s Office in person by dividing the number of fees paid in person by the total number of fees paid. We applied the percentage we calculated to the net enrollment number (the number of students enrolled less non-resident students, special admit students and BOGG fee waiver recipients) to determine the number of enrollment fees paid in person. We then included the number of refunds claimed for students who paid their enrollment fees and were subsequently granted a BOGG fee waiver.

Productive Hourly Rates

We also determined that the district overstated the annual average productive hourly rate in its claims for FY 2005-06 and FY 2007-08 through FY 2010-11. For FY 2005-06, the district used a base of 1,500 hours to calculate productive hourly rates. For FY 2007-08 through FY 2010-11, the district's productive hourly rate average that it calculated for Cashier's Office staff did not include the Senior Accounting Assistant classification. As explained in Finding 10, we recalculated the annual average productive hourly rate based on actual employees involved in calculating and collecting enrollment fee activities and made minor changes to the claimed rates.

Activity 5—Collecting Delinquent Enrollment Fees

Time Increment

Using certification forms developed by the district's mandated cost consultants, district employees estimated the time required to perform reimbursable Activity 5. Based on these certifications, the district developed time allowances per student account of 15.3 minutes for FY 1998-99 through FY 2005-06 and 5.7 minutes per student account for FY 2006-07 through FY 2009-10 to collect delinquent enrollment fees in the Cashier's Office. The district conducted a time study for its FY 2010-11 claim and developed a time allowance of 1.08 minutes to perform Activity 5.

We noted the district's explanation that the time claimed for this activity decreased for FY 2006-07 and subsequent years as the result of upgrades to the district's computer system. However, the district has not yet provided any evidence or actual cost documentation to support the additional time required for years prior to and including FY 2006-07. While the district may collect delinquent fees at the cashier's window, district representatives at the Cashier's Office stated that the majority of students' delinquent fee payments are handled through a batch process in November of each year. In addition, the district sends any remaining delinquent accounts to the CCCCCO, which refers the accounts to the Franchise Tax Board for collection.

We did not observe this activity being performed during our observations at the Cashier's Office. However, the time study conducted by the district showed that it takes staff approximately 1.08 minutes to perform Activity 5. In order to provide an actual cost basis on which to determine allowable costs for the district's claims prior to FY 2010-11, we applied the results of the district's time study to all years of the audit period.

Multiplier Calculation

For Activity 5, the district provided, and we accepted, the number of delinquent student accounts processed during the audit period.

Productive Hourly Rates

Consistent with the information presented for Activities 1 through 4, the district also overstated the annual average productive hourly rate in its claims for FY 2005-06 and FY 2007-08 through FY 2010-11 for Activity 5. As explained in Finding 10, we recalculated the annual average productive hourly rate based on actual employees involved in calculating and collecting enrollment fee activities and made minor changes to the claimed rates.

Activity 6—Providing a refund for students who establish fee waiver eligibility after the enrollment fee has been collected

Time Increments

The district did not claim any costs for this activity in its claims for FY 1998-99 through FY 2001-02. Using certification forms developed by the district's mandated cost consultants; district employees estimated the time required to perform reimbursable Activity 6. Based on these certifications, the district developed time allowances per refund transaction of 50.2 minutes for FY 2002-03 through FY 2004-05, 26.7 minutes for FY 2005-06, and 6.7 minutes for FY 2006-07 through FY 2009-10. The district revised its time estimate for Activity 6 to 4.16 minutes per refund transaction based on information provided by district employees.

District staff initiate refunds at the Financial Aid and Scholarships Office and the Cashier's Office staff review the refunds. We noted the district's explanation that the time claimed for this activity decreased for FY 2006-7 and subsequent years as the result of upgrades to the district's computer system. However, the district has not yet provided any evidence or actual cost documentation to support the additional time required for years prior to and including FY 2006-07. Currently, district staff process refunds of students' enrollment fees on an ongoing basis on Mondays. Staff explained that this activity is a two-step process. A Senior Accounting Assistant manually inputs data for the check information and another Senior Accounting Assistant processes the online, credit card, in-person, and check refunds. The refund process is concluded by the second Senior Accounting Assistant. The refund information is sent to Accounts Payable and later processed for delivery to the students.

We did not observe this activity being performed during our observations at the Cashier's Office. For FY 2002-03 through FY 2005-06, costs claimed by the district for this activity are immaterial. Based on the information provided by district staff, we determined that the time claimed for this component is reasonable for FY 2006-07 and subsequent years.

Multiplier Calculation

For Activity 6, the district provided and we accepted the number of refunds processed for students who established fee waiver eligibility after paying their enrollment fees.

Productive Hourly Rates

Consistent with the information presented for Activities 1 through 4 and Activity 5, the district also overstated the annual average productive hourly rate in its claims for FY 2005-06 and FY 2007-08 through FY 2010-11 for Activity 6. As explained in Finding 10, we recalculated the annual average productive hourly rate based on actual employees involved in calculating and collecting enrollment fee activities and made minor changes to the claimed rates.

Calculation of Time Increments Adjustment

The following table summarizes the minutes claimed and allowable for reimbursable Activities 1 through 6.

Reimbursable Activity	Claimed				
	FY 1998-99 through FY 2001-02	FY 2002-03 through FY 2004-05	FY 2005-06	FY 2006-07 through FY 2009-10	FY 2010-11
	1 Referencing Students				
Accounts	3.70	3.70	3.70	6.90	2.63
2 Calculating the Fee	5.10	5.10	5.10	3.80	0.56
3 Answering Questions	4.50	4.50	4.50	11.70	1.00
4 Updating Records	3.00	3.00	3.00	9.10	0.91
	<u>16.30</u>	<u>16.30</u>	<u>16.30</u>	<u>31.50</u>	<u>5.10</u>
5 Collecting Delinquent Fees	15.30	15.30	15.30	5.70	1.08
6 Providing Refunds	—	50.20	26.70	6.70	4.16
	<u>15.30</u>	<u>65.50</u>	<u>42.00</u>	<u>12.40</u>	<u>5.24</u>
Total	<u>31.60</u>	<u>81.80</u>	<u>58.30</u>	<u>43.90</u>	<u>10.34</u>
Reimbursable Activity	Allowable				
	FY 1998-99 through FY 2001-02	FY 2002-03 through FY 2003-04	FY 2005-06	FY 2006-07 through FY 2009-10	FY 2010-11
	1 Referencing Students				
Accounts	0.78	0.78	0.78	0.78	0.78
2 Calculating the Fee	0.56	0.56	0.56	0.56	0.56
3 Answering Questions	1.00	1.00	1.00	1.00	1.00
4 Updating Records	0.91	0.91	0.91	0.91	0.91
	<u>3.25</u>	<u>3.25</u>	<u>3.25</u>	<u>3.25</u>	<u>3.25</u>
5 Collecting Delinquent Fees	1.08	1.08	1.08	1.08	1.08
6 Providing Refunds	—	50.20	26.70	6.70	4.16
	<u>1.08</u>	<u>51.28</u>	<u>27.78</u>	<u>7.78</u>	<u>5.24</u>
Total	<u>4.33</u>	<u>54.53</u>	<u>31.03</u>	<u>11.03</u>	<u>8.49</u>

Calculation of Multiplier Adjustment

The following table summarizes the claimed, allowable, and adjustment amounts for the multiplier for each reimbursable activity that took place at the district during the audit period for reimbursable Activities 1 through 6.

Reimbursable Activity	Claimed Multiplier	Allowable Multiplier	Adjusted Multiplier
1	790,968	735,864	(55,104)
2	632,952	325,564	(307,388)
3	790,969	735,864	(55,105)
4	684,307	325,564	(358,743)
5	57,071	57,071	—
6	18,829	18,829	—
Total	<u>2,975,096</u>	<u>2,198,756</u>	<u>(776,340)</u>

Calculation of Hours Adjustments

We multiplied the allowable minutes per activity by the multiplier for the reimbursable activities (as identified in the table above) to determine the number of allowable hours for reimbursable Activities 1 through 6.

The following table summarizes the claimed and allowable hours for the audit period.

Reimbursable Activity	Hours Claimed	Hours Allowable	Adjusted Hours
1	61,991.86	9,566.24	(52,425.62)
2	45,523.20	3,038.61	(42,484.59)
3	87,875.90	12,264.40	(75,611.50)
4	58,059.97	4,937.74	(53,122.23)
5	10,746.68	1,067.28	(9,679.40)
6	1,477.62	1,477.62	—
Total Hours	<u>265,675.23</u>	<u>32,351.89</u>	<u>(233,323.34)</u>

Calculation of Costs by Reimbursable Activities

For Activities 1 and 3 we multiplied the allowable minutes, based on the district's time study (.78 minutes for activity 1 and 1 minute for activity 3) by net student enrollment to determine the number of hours spent to perform the activities for FY 1998-99 through FY 2010-11. We then multiplied the hours spent times the audited productive hourly rates to determine allowable costs for salaries and benefits. We determined net student enrollment by excluding non-residents and special part-time students from total student enrollment. The CCCCO's management information system (MIS) identifies enrollment information based on student data that the district reported. The CCCCO identifies the district's enrollment based on the CCCCO's MIS data element STD 7, codes A through G. The CCCCO eliminates any duplicate students based on their Social Security numbers. We also took into account the number of students who paid their enrollment fees using the district's on-line

system or by telephone based on a report that was prepared for us by district staff.

For Activities 2 and 4, we multiplied the allowable minutes, based on the district's time study (0.56 minutes for activity 2 and 0.91 minutes for activity 4) by the adjusted net student enrollment to determine the number of hours spent to perform the activities for FY 1998-99 through FY 2010-11. We then multiplied the hours spent times the audited productive hourly rates to determine allowable costs for salaries and benefits. To determine adjusted net student enrollment, we deducted from net student enrollment the number of students who were exempt from paying enrollment fees because they received BOGG fee waivers. We obtained the number of students in the district who received BOGG fee waivers each year from the CCCCCO based on data the district reported. The CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F.

We applied the audited productive hourly rates to the allowable hours per reimbursable activity. We determined that salaries and benefits totaling \$1,026,663 are allowable and \$7,921,120 are unallowable.

The following table summarizes the claimed and allowable salary and benefit costs by reimbursable activity for the audit period.

<u>Reimbursable Activity</u>	<u>Salaries and Benefits Claimed</u>	<u>Salaries and Benefits Allowable</u>	<u>Audit Adjustment</u>
1	\$ 2,099,299	\$ 311,111	\$ 1,788,188)
2	1,419,947	86,627	(1,333,320)
3	3,013,198	394,605	(2,618,593)
4	2,025,671	140,771	(1,884,900)
5	329,461	34,532	(294,929)
6	60,207	59,017	(1,190)
Total	<u>\$ 8,947,783</u>	<u>\$ 1,026,663</u>	<u>\$ (7,921,120)</u>

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District's Response

To prepare our response to the time changes that were imposed on our claims for the various enrollment fee collection activities we interviewed personnel that were here in the years indicated, along with Information Services personnel that had knowledge about the speed of the software systems throughout the years. We also found forms and procedures from earlier years. Despite the fact the State Controller's Office Audit Staff (SCO) acknowledges the fact that procedures for collecting enrollment fees may have been more time consuming during the earlier years of the audit period (e-mail dated – Wednesday, February 27), at no point has the SCO indicated they have attempted to

identify these increases in costs for the reimbursable activities in their audit of claims.

As far as the actual processes are concerned, please see our comments below.

Activity #1 – Referencing student accounts – This process was extremely more time-consuming than today as the system was considerably slower. Until the system upgrades were completed in FY 2009-2010, the process took much longer. In addition, prior to FY 2005-06 the information needed was not always readily available because the BOGG waivers were not automated yet. Information between departments was not shared before this automation. When a student came to the cashier's window and their account had not been updated for BOGG information, the student had to physically go to the financial aid office and then back to the cashier's window.

Therefore, the District stands by the original time claimed for this activity of 3.7 minutes and thinks this is accurate through FY 2005-2006. For FY 2006-2007 through FY 2009-2010, it's reasonable to identify the time as double what it takes today which would be 1.56 minutes. For 2010-11 the .78 minutes is acceptable. Lastly, the SCO has not displayed any time-calculations to capture these time variances that occurred for this activity over the 13-year period covering this audit.

Activity #2 – Calculating the fee – The cashiers had to manually calculate the enrollment fees from the class schedule from FY 1998-1999 through FY 2001-2002. For fiscal years 1998-99, 1999-2000 and 2000-01, the cashiers were required to manually split every payment received between enrollment fees and other fees, and then input the Enrollment Fee manually, one at a time. If not for the Enrollment Fee Collection requirement, this activity would not have been required by Cashiering staff. Through FY 2008-2009, the cashiers had to physically check and empty out drop boxes. This meant that the enrollment fee collection process was very manual through these years. Any time study done now would not reflect this. Again, the processing time in the system was significantly slower than it is today.

When the time estimates were first prepared in FY2005-2006, the cashiers were basing their estimates on how long it took them in year 2005-2006. The process was considerably more time-consuming during the period FY 1998-1999 through FY 2001-2002. Online registration did not occur until FY 2002-2003. Even then not many students took advantage of paying on line and continued to pay by check which meant a very manual process. During this time frame the payments had to be processed by a departmental receipt and were individually processed instead of utilizing a batch process. Printing a receipt for students at the window is still done.

As was the case with Activity #1, the SCO has not displayed any time-calculations to capture these time variances that occurred for this activity over the 13-year period covering this audit. Instead, the SCO has relied on time surveys of current-day processes and extrapolated them for the entire 13-year audit period. With the above in mind, the District amends its originally claimed time amounts of 5.1 minutes through FY 2001-2002 to be reflective of this additional manual processing time. To calculate the fees manually and split out the payments would take an additional minute for a total of 6.1 minutes.

From FY 2002-2003 through FY 2010-2011, the District stands by the time amounts originally claimed.

Activity #3 – Answering questions – Again through FY 2005-2006, very limited information was available online and information was not shared between departments. This significantly increased the amount of questions and time it took to answer student questions. From FY 2006-2007 through FY 2008-2009, although more information was available online, it was still much less so than today. Thus, students still needed their questions answered in-person, even though they could fill out their form online.

As was the case with Activities #1 and #2, the SCO has not displayed any time-calculations to capture these time variances over the 13-year period covering this audit. Instead, the SCO relied on time surveys of current-day processes and extrapolated them for the entire 13-year audit period. Therefore, the District stands behind its originally claimed time amount of 4.5 minutes through FY 2005-2006. From FY 2006-2007 through FY 2008-2009 the time amount should remain at 4.5 minutes, but then reduced to 1.0 minute for FY 2009-2010 and FY 2010-2011.

Activity #4 – Updating records – As discussed above, in years past this process was tediously manual and the system extremely slow. The staff would have to pull the information from files and re-file information manually, and even when the system was live it was incredibly slow. When the forms eventually went online the staff would still have to print out the form and file it manually. This process did not become fully automated until late in FY 2008-2009.

As was the case with the first three Activities in FINDING 3, the SCO has not displayed any time-calculations to capture these time variances over the 13-year period covering this audit due to technological improvements. Instead, the SCO relied on time surveys of current-day processes and extrapolated them for the entire 13-year audit period. Therefore the District stands by its originally claimed time of 3.0 minutes and this should be extended through FY 2008-2009. Beginning with FY 2009-2010, .91 minutes as identified by the SCO is acceptable.

Activity #5 – Collecting delinquent fees – The staff did not start utilizing COTOP as a collection process until FY 2005-06. Previously, bills were sent out to students. When a student came to the window who owed delinquent fees staff had to inform the student, collect the fee and remove any holds on their account. The process was very manual and the system was incredibly slow. In estimating the time it took to handle this process, the staff was estimating at the high end of the time it would take to deal with the student instead of an average. Even when COTOP was being utilized, the system was incredibly slow and the payments received from COTOP had to be manually input into the student's account. There were a lot of issues with the system and all of these issues were not fully resolved until FY 2010-11.

Similar to Activities #1 through #4, the SCO has not identified any time-calculations used to represent these time variances that ultimately occurred over the 13-year period of this audit. Instead, the SCO relied on time surveys of current-day processes and extrapolated them for the entire 13-year audit period. Therefore, the District amends the time claimed to be 5.7 minutes for FY 1998-1999 through FY 2005-2006. We stand by the original time amount claimed of 5.7 minutes for FY

2006-2007 through FY 2009-2010. We accept the 1.08 minutes for FY 2010-2011.

Activity #6 – Providing Refunds – As there were no adjustments to our claim for this activity the District accepts the findings on this activity.

SCO's Comment

The finding and recommendation remain unchanged.

General Comments

We initially discussed our intent to apply the time currently required to perform the reimbursable activities to the prior years of the audit period with district representatives during a status meeting held on August 19, 2011. The district has had over 18 months to develop reasonable support explaining why these activities required more time in prior years. During the audit exit conference held on November 30, 2012, we discussed with district representatives the issue of providing support for the time required to perform the reimbursable activities during the earlier years of the audit period. The district representatives stated that they would interview staff employed by the district during those years, who would describe what the process was like at that time. In addition, the district stated that they would provide samples of forms and documentation of policies and procedures. However, the district provided only a narrative that described in generic terms the systems in place during the early years of the audit period. The district did not provide any numerical analysis or support to accompany the narrative.

The district's response references interviews with staff employed at the district during the earlier years of the audit period, and various forms and procedural documents. However, the district has not submitted any of this supporting information to us. For example, we do not know what staff were interviewed, their employee classification, years of employment with the district, or the extent to which they were involved with the reimbursable activities.

The district also makes reference to the lack of any time analysis performed by us to represent the time required to perform the reimbursable activities during the various years of the audit period. However, it is the district's responsibility to provide support for its claims. For example, the district provided no analysis, other than the narrative, to show why it took twice as long to perform Activity 1 during the middle years of the audit period and 4.7 times as long during the early years when compared to how long it takes now.

As we noted during the exit conference, it would be helpful if the district approached this analysis from the perspective of what a student would have experienced during the early years of the audit period to have enrollment fees collected and payments processed and how that process differs from what is in place currently. Generic statements such as "the system was incredibly slow" or "the process was extremely manual" does not provide enough information on which to base adjustments to the time increments from the district's recent time study.

While we recognize that the time required to perform the reimbursable activities may have been more time consuming during the earlier years of the audit period, we also conclude that using the time increments proposed by the district for the various reimbursable activities does not provide a reasonable result for most of the years being audited. This is especially true for the earlier years. We reached this conclusion based on analytical procedures that we performed, which are described below, as well as a review of the district's narrative describing the various reimbursable activities.

Analytical Review of District's Proposal

We first performed an analytical review of the amount of hours required for district staff to perform the reimbursable activities for enrollment fee collection based on the time increments proposed by the district. To perform this analysis, we used the number of credit students enrolled at the district for Activities 1 and 3 for each fiscal year of the audit period based upon information that we received from the CCCCO. For Activities 2 and 4, we subtracted the number of students that were granted BOGG fee waivers from total student enrollment also based on information received from the CCCCO. For all four activities, we multiplied the total time increments proposed by the district by the associated enrollment numbers to compute the total number of hours required to perform the four activities. We then divided the total hours required by the number of staff employed by the district at its Cashier's Office, based upon the number of staff included in the district's claims for each year of the audit period. The district's mandated cost consultants prepared this information and identified it as "Schedule 2A-Enrollment Fee Collection Average PHR." This information was provided to us at the beginning of the audit. The district prepared this same report for all of the claims that it prepared. We concluded that the district staff used to develop the average productive hourly rate for enrollment fee collection activities were the same staff who performed the reimbursable activities. The results show that the time increments proposed by the district for FY 1998-99 through FY 2004-05 are not reasonable. The time required ranged from 1,200 to 2,264 hours per year per staff member to only perform these four reimbursable activities, in spite of their other duties in the Cashier's Office. See Attachment 2 for an analysis we performed by fiscal year.

IT System Information

The district's response includes information describing the various operating systems used by the district's computers during the audit period. However, the district provided no analysis showing the approximate number of seconds required to perform any of the reimbursable activities. Such analysis could be based on time required for the district's current operating system to perform the activities and then adjusted based upon processing speeds and software used in previous years. Based on the information provided, we do not believe that the additional computer processing time required would represent a significant difference; as such differences could likely be represented in seconds or fractions of seconds. In addition, we noted that the district acquired the PeopleSoft software system during FY 2000-01 and is still currently using this system. The district referenced several upgrades

made to this system in subsequent years, but has not provided any specifics explaining why this system would have been slower in prior years than it is today.

Description of Activities

Activity 1–Referencing Student Accounts

The district states that “This process was extremely more time consuming years ago than it is today as the system was considerably slower.” This statement is related to the IT systems in place in prior years. As stated above, the district did not provide any analysis to support time required for computer processing or explain why it took twice as long to perform this activity during the middle years of the audit period and 4.7 times as long during the early years of the audit period when compared to how long it takes currently.

In addition, reference is made to the lack of complete information online prior to FY 2005-06 due to the unavailability of automated BOGG fee waiver information. The reimbursable activity is “referencing student accounts and records to determine the course workload, status of payments, eligibility for fee waiver, and printing a list of enrolled courses.” We believe that the district is stating that “some” students were required to be processed twice by Cashier’s Office staff for this activity for instances when the student’s account had not been properly updated for BOGG fee waiver information. In addition, updating student records is part of reimbursable Activity 4.

Activity 2–Calculating the Enrollment Fee

The district references the need to split up every payment received between enrollment fees and other fees and then enter them one at a time during the earlier years of the audit period. However, Activity 2 is only reimbursable for the time required to calculate enrollment fees, collect enrollment fee payments, and issue receipts. Time required to process other fee payments is not reimbursable, and entering enrollment fees collected is part of reimbursable Activity 4. The district did not provide any analysis, other than the narrative, to explain why it took 3.8 times as long to perform this activity during the middle years of the audit period and 6.56 times as long during the early years of the audit period when compared to how long it takes currently.

The district also references the time required to empty out drop boxes. However, we believe that the reimbursable activities did not begin until the student payments were gathered up out of the lock box for processing.

Activity 3–Answering Questions

The district states that the time required during the early years of the audit period was more time consuming because “not a lot of information was available online and information was not shared between departments.” However, the reimbursable activity is “Answering student questions regarding enrollment fee collection or referring them to the appropriate person for an answer.” The district did not describe what information from other departments was needed for staff in the Cashier’s Office to answer questions about enrollment fees. In addition, the district did not provide any analysis supporting the basis for the increased time

(4.5 times as long) that it took staff to perform this activity through FY 2008-09 when compared to how long it takes now.

Activity 4—Updating Records

The district states that “when the system was live it was incredibly slow.” The narrative also says that “this process was extremely manual.” However, from our perspective, the district did not provide any additional information describing the manual system in place or the additional time required for computer processing. Further, the district did not provide an analysis supporting why it took 3.3 times as long to perform this activity in years through FY 2008-09 when compared to how long it takes now.

Activity 5—Collecting Delinquent Enrollment Fees

The narrative provided mentions steps taken during the early years of the audit period, such as sending out bills to students and removing holds from the student’s account. The district provided generic statements such as “the process was manual and the system was incredibly slow” without any analysis to support the statements. The district provided no analysis supporting why it took 5.28 times as long to perform this activity through FY 2009-10 when compared to how long it takes now. Also, staff stated that it estimated the time required at “the high end” rather than an average. However, basing the time required on an average would be a more appropriate basis for analysis rather than relying solely on worst-case scenarios.

**FINDING 4—
Enrollment Fee
Waivers: Preparing
Policies and
Procedures Cost
Component –
unallowable one-time
costs**

The district claimed \$288,028 in salaries and benefits during the audit period to prepare district policies and procedures for determining which students are eligible for waiver of the enrollment fees. We determined that \$3,123 is allowable and \$284,905 claimed for FY 2010-11 is unallowable. Costs claimed for fiscal years prior to FY 2010-11 were allowable because they were below our threshold of materiality for testing. Costs claimed for FY 2010-11 are unallowable because the district did not provide support that the costs incurred were required by changes in state law rather than by discretionary activities undertaken by the district to update its own policies and procedures regarding the waiver of enrollment fees. Eighty-six percent of the costs claimed for FY 2010-11 (\$245,613) were for 5,700 total hours (1,900 hours each) spent by a Financial Aid Specialist and two Financial Assistance Specialists. Essentially, the district is claiming that these three employees worked full-time during FY 2010-11 on preparing district policies and procedures for waiving student fee activities. The district also claimed 859 hours spent by 19 other staff on the reimbursable activity. However, for costs to be reimbursable, the district must provide actual cost documentation supporting the extent that it incurred costs for changes in district policies and procedures that resulted from changes in state law.

The following table summarizes the claimed, allowable, and audit adjustment amounts by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and benefits:			
1999-2000	\$ 170	\$ 170	\$ —
2000-01	212	212	—
2001-02	231	231	—
2002-03	245	245	—
2003-04	324	324	—
2004-05	1,065	1,065	—
2005-06	570	570	—
2008-09	151	151	—
2009-10	155	155	—
2010-11	284,905	—	(284,905)
Total, salaries and benefits	<u>\$ 288,028</u>	<u>\$ 3,123</u>	<u>\$ (284,905)</u>

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents that were created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language).

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

The parameters and guidelines (section IV.B.1.a–Reimbursable Activities, Enrollment Fee Waivers–One-Time Activities–Policies and Procedures) state that the preparation of policies and procedures is reimbursable as a one-time activity for determining which students are eligible for waiver of the enrollment fees. The CSM Final Staff Analysis for the Proposed Parameters and Guidelines dated January 13, 2006, for the onetime activity of adopting policies and procedures, states “. . . staff finds that updates to the policies and procedures would be subject to change in the community college district’s policy rather than state law, and would not be reimbursable.”

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The 8 hours of time claimed for Mary San Agustin should be allowed for preparing policies and procedures as she had indicated for FY 2010-2011. The cost allowable should be \$815.92.

SCO’s Comment

The finding and recommendation remain unchanged.

The district did not provide additional supporting documentation identifying changes in state law that required the district to update its policies and procedures for the enrollment fee waivers. As the costs are reimbursable for this activity on a one-time basis, the district should provide a basic description of what changes were required to policies and procedures due to changes in state law for time spent on this activity.

**FINDING 5—
Enrollment Fee
Waiver: Staff
Training Cost
Component –
unallowable one-time
costs**

The district claimed \$12,177 for the one-time activity of staff training (once per employee) for district staff who implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee. We determined that \$5,217 is allowable and \$6,960 claimed for FY 2010-11 is unallowable. Costs claimed for fiscal years prior to FY 2010-11 were allowable because they were below our threshold of materiality for testing. Costs are unallowable for FY 2010-11 because the district did not provide documentation related to the nature of the training, the length of the training, which district employees attended the training, or whether any of the costs related to trainers’ time. For costs to be reimbursable, the district must document the extent to which it incurred costs for training new district staff that implement the program on the procedures for determining which students are eligible for the waiver of the enrollment fees.

The following table summarizes the claimed, allowable, and audit adjustment amounts for the one-time reimbursable costs for the Enrollment Fee Waivers–staff training cost component:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
1999-2000	\$ 340	\$ 340	\$ —
2000-01	425	425	—
2001-02	462	462	—
2002-03	490	490	—
2003-04	649	649	—
2004-05	891	891	—
2005-06	940	940	—
2008-09	504	504	—
2009-10	516	516	—
2010-11	<u>6,960</u>	<u>—</u>	<u>(6,960)</u>
Total, salaries and benefits	<u>\$ 12,177</u>	<u>\$ 5,217</u>	<u>\$ (6,960)</u>

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents that were created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language).

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

The parameters and guidelines (section IV.B.1.b–Reimbursable Activities–Enrollment Fee Waivers–One-Time Activities–Staff Training (one time per employee) state that staff training is reimbursable as a one-time cost per employee for training district staff who implement the program on the procedures for determining which students are eligible for waiver of the enrollment fee. Consistent with the Final

Staff Analysis, training existing staff for changes in the community college districts policies and procedures is not reimbursable.

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

As there were no new employees in the Financial Aid area that required training in FY 2010-2011, we are in agreement with disallowing costs for that year.

SCO’s Comment

The finding and recommendation remain unchanged.

FINDING 6— Enrollment Fee Waivers: Adopting Procedures, Recording and Maintaining Records cost component – unallowable ongoing costs

The district claimed \$151,421 in salaries and benefits related to adopting procedures, recording, and maintaining records related to enrollment fee waivers. We determined that \$16,064 is allowable and \$135,357 is unallowable. All costs claimed were unallowable because they were based on estimates of time to perform the reimbursable activities. In addition, costs claimed were misclassified because the reimbursable activity was claimed under the incorrect cost component. The misclassified costs should have been claimed under Section IV.B.2.b.v of the mandated program (described as Activity 11 in Finding 7), which includes costs incurred for “In the case of an approved application, copy all documentation and file the information for further review or audit.” Allowable costs for this activity are addressed in Finding 7.

Instead, this reimbursable cost component is to capture costs incurred for “Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations” and “Recording and maintaining records that document all of the financial assistance provided to students for the waiver of enrollment fees. . . .” Allowable costs were based on our discussions with management of the district’s Financial Aid Office.

The following table summarizes the claimed, allowable, and audit adjustment amounts related to adopting procedures, recording, and maintaining records related to enrollment fee waiver costs:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and benefits:			
1999-2000	\$ —	\$ 493	\$ 493
2000-01	—	715	715
2001-02	—	934	934
2002-03	—	924	924
2003-04	—	1,162	1,102
2004-05	—	1,254	1,254
2005-06	—	1,577	1,577
2006-07	—	1,650	1,650
2007-08	—	1,825	1,825
2008-09	38,291	1,859	(36,432)
2009-10	54,209	1,875	(52,334)
2010-11	58,921	1,796	(57,125)
Total, salaries and benefits	<u>\$ 151,421</u>	<u>\$ 16,064</u>	<u>\$ (135,357)</u>

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents that were created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language).

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

The parameters and guidelines (section IV.B.2.a–Reimbursable Activities–Enrollment Fee Waivers–Ongoing Activities) allow ongoing activities related to the following:

Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the *California Code of Regulations*; and including in the procedures the rules for retention of support documentation that will enable an independent determination regarding accuracy of the districts certification of need for financial assistance.

Recording and maintaining records that document all of the financial assistance provided to students for the waiver of enrollment fees in a manner that will enable an independent determination of the district’s certification of the need for financial assistance.

Salaries and Benefits

The costs claimed under this cost component for FY 2008-09 through FY 2010-11, totaling \$151,421, were misclassified and should have been claimed under section IV.B.2.b.v of the mandated program (described as Activity 11 in Finding 7 below). Therefore, we reclassified these costs and analyzed them in Finding 7.

Allowable hours for Financial Aid staff meeting

Management of the district's Financial Aid Office explained how the district incurs costs to comply with the mandated activities, as described in the parameters and guidelines. District staff met for two hours prior to the fall and spring semesters during each year of the audit period to discuss financial aid and BOGG documentation requirements, including any recent changes to the BOGG requirements. In these district financial aid meetings, staff discussed procedures to document all financial assistance provided (BOGG waivers granted and financial aid awarded). Based on the changes to the BOGG waiver requirements or current procedures, district staff discussed the adoption of new procedures to maintain appropriate records and/or supporting documentation required to support the granting of a BOGG waiver.

Staff attending these meetings included Financial Aid Advisors, the Financial Aid Function Specialist, the Financial Aid Function Assistant, and the Financial Aid Director. We determined that the time spent for BOGG fee waiver procedural changes and the staff meetings is reasonable to comply with the reimbursable activities. Therefore, we determined four allowable hours per employee classification in attendance at these meetings for all fiscal years of the audit period. We applied this methodology from FY 1999-2000 through FY 2010-11.

The table below summarizes the hours allowable per employee classification per fiscal year:

Fiscal Year	Employee Classification				Allowable Hours
	Financial Assistant Advisor	Function Specialist Assistant	Function Specialist	Financial Aid Director	
1999-2000	12	4	0	4	20
2000-01	12	4	4	4	24
2001-02	16	4	4	4	28
2002-03	16	4	4	4	28
2003-04	20	4	4	4	32
2004-05	20	4	4	4	32
2005-06	24	4	4	4	36
2006-07	24	4	4	4	36
2007-08	24	4	4	4	36
2008-09	24	4	4	4	36
2009-10	24	4	4	4	36
2010-11	20	4	4	4	32
Total allowable hours					376

We applied the audited productive hourly rates to the allowable hours per classification to determine allowable costs.

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The District is in agreement with the SCO increasing these allowable costs by \$1,130.

SCO’s Comment

The finding and recommendation remain unchanged.

**FINDING 7—
Enrollment Fee
Waivers: Waiving
Student Fees Cost
Component –
unallowable ongoing
costs**

The district claimed \$1,007,984 in salaries and benefits for the Waiving Student Fees cost component during the audit period in accordance with Education Code section 76300, subdivisions (g) and (h), and waiving student fees for students who apply for and are eligible for BOGG fee waivers. We determined that \$503,367 is allowable and \$504,617 is unallowable. The costs are unallowable because the district estimated the amount of time required to perform the reimbursable activities. In addition, we noted variations in the number of students used in the district’s calculations based on data the district reported to the CCCCCO.

The following table summarizes the overstated ongoing costs related to waiving student fees by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and benefits:			
1999-2000	\$ 26,003	\$ 2,033	\$ (23,970)
2000-01	37,476	10,748	(26,728)
2001-02	40,407	11,845	(28,562)
2002-03	44,654	24,781	(19,873)
2003-04	65,613	30,108	(35,505)
2004-05	91,403	41,903	(49,500)
2005-06	102,805	46,125	(56,680)
2006-07	105,521	50,197	(55,324)
2007-08	141,986	57,348	(84,638)
2008-09	122,728	61,880	(60,848)
2009-10	170,316	75,465	(94,851)
2010-11	59,072	90,934	31,862
Total, salaries and benefits	<u>\$ 1,007,984</u>	<u>\$ 503,367</u>	<u>\$ (504,617)</u>

The parameters and guidelines (section IV.B.2.b–Reimbursable Activities–Enrollment Fee Waivers–Ongoing Activities) allow the following ongoing reimbursable activities:

- a. Waiving student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h.) waiving fees for students who apply for and are eligible for BOG fee waiver.
 - i. Answering student’s questions regarding enrollment fee waivers or referring them to the appropriate person for an answer. **[Activity 7]**
 - ii. Receiving of waiver applications from students by mail, fax, computer online access, or in person, or in the form of eligibility information processed by the financial aid office. **[Activity 8]**
 - iii. Evaluating each application and verification documents (dependency status, household size and income, SSI and TANF/CalWorks, etc.) for compliance with eligibility standards utilizing information provided by the student, from the student financial aid records (e.g., Free Application for Federal Student Aid (FAFSA), and other records. **[Activity 9]**
 - iv. In the case of an incomplete application or incomplete documentation, notify the student of the additional required information and how to obtain that information. Hold student application and documentation in suspense file until all information is received. **[Activity 10]**
 - v. In the case of an approved application, copy all documentation and file the information for further review or audit. Entering the approved application information into district records and / or notifying other personnel performing other parts of the process (e.g., cashier’s office). Providing the student with proof of eligibility or an award letter, and file paper documents in the annual file. **[Activity 11]**
 - vi. In the case of a denied application, reviewing an evaluating additional information and documentation provided by the student if the denial is appealed by the student. Provide written notification to the student of the results of the appeal or any change in eligibility status. **[Activity 12]**

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents that were created at or near the same time that actual costs were incurred for the event or activity in question. (See Finding 1 for the specific language.)

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) state that salaries and benefits are reimbursable if claimants “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

Salaries and Benefits

The district claimed salaries and benefits during the audit period to waive student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h)) and to waive fees for students who apply for and are eligible for BOGG fee waivers. For FY 1999-2000 through FY 2009-10, the district claimed salaries and benefits for the six reimbursable activities under the Waiving Student Fees cost component using time allowances developed from estimated time it took staff to complete various activities through the use of employees' annual survey forms. For FY 1999-2000 through FY 2008-09, employees estimated the average time in minutes it took them to perform the six reimbursable activities per student per year on certification forms developed by the district's mandated cost consultants. For FY 2009-10, the district prepared its own claim, but used the same average time results that were in its claim for FY 2008-09. For FY 1999-2000 through FY 2009-10, the district did not provide any source documentation based on actual data to support the estimated time allowances. For FY 2010-11, the district conducted a time study which included activities 7 through 12.

The following table summarizes the minutes claimed for reimbursable activities 7 through 12.

Reimbursable Activity	Claimed					
	FY 1999-2000 through FY 2002-03	FY 2003-04 through FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09 through FY 2009-10	FY 2010-11
	7 Answering questions	4.30	4.30	4.80	5.50	5.50	2.63
8 Receive applications	4.10	4.10	4.60	4.70	4.70	0.67
9 Evaluate applications	5.60	5.60	5.30	6.60	6.60	2.00
10 Incomplete applications - notification	—	3.80	4.20	5.30	5.30	0.81
11 Approved applications	4.90	4.90	3.90	5.50	—	—
12 Review waiver denials appealed by students	—	3.00	2.80	4.20	4.20	2.91
Totals	18.90	25.70	25.60	31.80	26.30	9.02

As the mandated activities took place at the district during the audit, we assessed whether or not the time estimates cited by district staff for FY 1999-2000 through FY 2009-10 and the results of the district's time study for FY 2010-11 were reasonable. We held discussions with various district representatives in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Financial Aid and Scholarship Office that processes students' BOGG fee waiver applications. We documented the average time increments spent by district staff to perform these activities based on our observations.

In applying the time allowances, the district did not report the correct number of students who received BOGG fee waivers. We recalculated reimbursable activities using the correct number of students who received BOGG fee waivers (multiplier). We determined that the district overstated salaries and benefits by \$504,617 for the audit period.

Activities 7 through 12

BOGG Fee Waiver Application Processing – General Information

According to the district's website, the various BOGG fee waivers that may be granted are as follows:

BOGG waiver A: For students receiving cash assistance from: TANF/CalWORKs, SSI/SSP, General Assistance. Proof of benefits dated within the last 60 days must be submitted to verify eligibility. Recipients of BOGG A will have their enrollment & student center fees waived and may purchase one reduced rate (\$20/semester) parking permit.

BOGG waiver B: For low income students. It is based on the previous year's income. If students do not meet the independent criteria (see BOGG application for criteria), they will use their parents income to qualify. Recipients of BOGG B will have their enrollment fees waived and may purchase one reduced rate (\$20/semester) parking permit.

BOGG waiver C: eligibility is determined by filing a FAFSA (Free Application for Federal Student Aid) application. Once the district receives a valid SAR (Student Aid Report), the student will automatically be considered for a BOGG. Recipients of BOGG C will have their enrollment fees waived and may purchase one reduced rate (\$20/semester) parking permit.

Special Classification BOGG waiver: For dependent students of qualified Veterans, Congressional Medal of Honor recipients; Victims of the September 11, 2001 terrorist attack; and deceased law enforcement/fire personnel killed in the line of duty. Proof of eligibility from the appropriate district is required.

Source: <http://www.palomar.edu/fa/BOGG.htm>

We determined that the district may process some students twice if the student first applies for a BOGG fee waiver and is denied for BOGG fee waiver A or BOGG fee waiver B. In addition, district staff will have little or no involvement with students who use the district's online BOGG application process or the FAFSA online process for BOGG fee waiver C. For FY 1999-2000 through FY 2001-02, all applications were received in paper form and manually processed by district staff. Students were able to apply for BOGG fee waivers online beginning in 2002-03.

For BOGG fee waiver A, students may apply online or in person. However, whether students apply online or in person, the student still must bring in proof of benefits received to the Financial Aid and Scholarship Office.

For BOGG fee waiver B, only students who are dependents must bring in a parent signature page. However, if the student is independent, and qualify based on income requirements, there is no staff time involved to process this application. For these students, the system automatically approves the BOGG fee waiver. Once the BOGG waiver is granted, students receive an automatic notice through their online e-Services school account.

For BOGG fee waiver C, students initially may apply for BOGG fee waiver A or B and be denied. If the student does not qualify for a BOGG fee waiver the student is asked to apply for financial aid. A BOGG fee waiver C may then be granted through the FAFSA application process. There are no additional documentation requirements for the BOGG fee waivers granted through the FAFSA. However, there are additional FAFSA documentation verification requirements, such as maintaining a certain GPA, verifying tax returns, and verifying maximum units taken. After the FAFSA requirements have been reviewed, staff reviews specific information in order to grant a BOGG fee waiver if the student qualifies and one has not already been automatically granted. The increased staff involvement for the BOGG fee waiver in this case occurs after the FAFSA requirements have been reviewed.

For special-classification BOGG waivers, the staff time involvement is similar to the BOGG A fee waiver, as described above. Students must bring in proof of eligibility to the Financial Aid and Scholarship Office.

Most students apply online for the BOGG fee waiver. However, for those students who submit paper fee waiver applications, we were given an overall step-by-step overview of how district staff process the paper BOGG fee waiver applications and review supporting documentation. The district computer system also has a trigger for financial aid staff to verify specific BOGG fee waiver applications submitted through the district's online BOGW system, such as applications from students with very low income in comparison to their expenses. Staff is responsible for manually evaluating these applications to determine if the applicant must supply supporting documentation.

Activity 7—Answering Student Questions

We observed an Enrollment Services Specialist and a Financial Aid Specialist alternate every hour to help students who come in-person to apply for a BOGG fee waiver. The district staff accept paper BOGG fee waiver applications at the front counters, and answer questions. Staff also may direct students to fill out the BOGG fee waiver application online at a computer located adjacent to the counter. Financial Aid staff at the back counters of the Financial Aid Office evaluate BOGG fee waiver applications, notify students by email of approved, incomplete, and denied applications, and call students to obtain additional information.

Activity 8—Receiving Enrollment Fee Waiver Applications

Currently, the district may receive BOGG fee waiver applications in person, through the district's BOGW online system, or through the FAFSA website. Most of the BOGG fee waivers currently processed by the district are through the district's BOGW online system and through the FAFSA website.

Activity 9—Evaluating waiver applications and verifying documentation

The Financial Aid Advisors evaluated and processed the BOGG fee waiver applications prior to FY 2009-10. Beginning in FY 2010-11, two

Financial Aid Specialists were assigned to evaluate and process the BOGG fee waivers.

Activity 10–Notifying students of additional required information, in the case of an incomplete application

District staff may send a student an e-mail to advise them that information is missing. In addition, most students initiate communication with district staff if the BOGG fee waiver has not been granted or posted. Staff may access a student’s computer file and view prior comments or notes and inform students of additional required information, if any.

Financial Aid Office staff indicated that incomplete BOGG fee waiver applications take additional time for review and re-evaluation. If the district’s computer system rejects a BOGG fee waiver application, staff review the incomplete application and insert a comment into the student’s computer file explaining why the waiver was rejected.

Activity 11–Copying all documentation and file the information for further review, in the case of an approved application

We observed staff evaluating applications for eligibility, verifying documentation (Activity 9), copying all documentation, and filing the information for further review (Activity 11). If the district determined that the student is eligible for a BOGG fee waiver, staff post the fee waiver, award a letter, and create a budget for the student.

For the online process, the student’s information is loaded into the district’s student database from the FAFSA. During the FAFSA application process, staff briefly review the student’s information to determine if the student is eligible for a BOGG fee waiver. If the student is eligible for a BOGG fee waiver, staff post the BOGG to the student’s account.

Activity 12–Appealing a denied BOGG fee waiver application

We determined that the district does not have a formal appeal process for denied BOGG fee waiver applications. However, the district explained that any additional information and documentation provided by students pertaining to denied fee waiver applications is considered an appeal of the initial denial. According to Financial Aid staff, there are very few denials. The denials usually result because the student’s and/or parent(s)’ income exceeds the eligibility threshold. If the waiver is denied, a comment is inserted into the student’s account explaining the reason for the denial, and students are instructed to apply for FAFSA if they do not qualify for a BOGG fee waiver.

Time Increments

Using certification forms developed by the district's mandated cost consultants, district employees estimated the time required to perform the reimbursable activities. Based on these certifications, the district developed per-student time allowances of 18.9 minutes for FY 1999-2000 through FY 2002-03, 25.7 minutes for FY 2003-04 through FY 2005-06, 25.6 minutes for FY 2006-07, 31.8 minutes for FY 2007-08, and 26.3 minutes for FY 2008-09 and FY 2009-10.

We determined that the time allowances claimed for these activities for these years were overstated. The district conducted a time study for its FY 2010-11 claim and developed a time allowance of 9.02 minutes to perform activities 7 through 12. The district prepared a worksheet outlining the results of its time study. We noted that the description of Activity 7 is "Answering student questions regarding enrollment fee waiver updating written and computer records for enrollment fee waiver information." The description of the activity goes beyond what is reimbursable for Activity 7 and we concluded that the district's time study actually included both Activity 7 and Activity 11.

As noted in Finding 6, the district misclassified costs claimed for Activity 11 under the incorrect cost component. We reclassified these costs and analyzed them here. Using certification forms developed by the district's mandated cost consultant, the district claimed 5.5 minutes per student for FY 2008-09 and FY 2009-10. The district revised its time estimate for Activity 11 to 5.1 minutes per student based on information provided by district employees. We used the results of the district's time study for Activity 7 as a combined time increment for Activity 7 and Activity 11.

We held discussions with various district representatives during the audit in order to determine the procedures district staff followed to perform the reimbursable activities. We observed district staff in the Financial Aid Office performing the reimbursable activities and other non-mandated activities. We documented the average time increments spent by district staff for the reimbursable activities. Over several days, we observed enrollment fee waiver transactions processed by district staff encompassing Activities 7 through 12. For Activities 7 and 8, we observed 37 related enrollment fee waiver inquires totaling 139.24 minutes. The average time to perform both activities was 4 minutes. For Activity 9 through Activity 12, we observed 14 enrollment fee waiver applications evaluated, processed, and posted, totaling 38.36 minutes. The average time to perform the activities was 3 minutes for all three activities. Based on our observations, we determined that it takes staff approximately 7 minutes to perform Activities 7 through 12.

The time study conducted by the district showed that it takes staff approximately 9.02 minutes to perform Activities 7 through 12. We concluded that the district's time study results are reasonable and consistent with our observations. In order to provide an actual cost basis on which to determine allowable costs for the district's claims prior to FY 2010-11, we applied the results of the district's time study to all years of the audit period.

Multiplier Calculation

For Activities 7 through 10, the district claimed costs by multiplying the number of students who received a BOGG fee waiver by a uniform time allowance and an annual average productive hourly rate. For Activities 7, 8, and 9, the district used the number of students who received a BOGG fee waiver plus the number of denied and incomplete BOGG fee waiver applications as the multiplier. For Activity 10, the district used the number of students who received a BOGG fee waiver. For Activity 11, the district used the number of incomplete BOGG fee waiver applications. For Activity 12, the district used the number of BOGG fee waivers that were appealed by students for incorrect information.

For Activities 7, 8, and 9, we applied the time required to perform the reimbursable activities by the number of students who received BOGG fee waivers, according to statistics provided by the CCCCCO. Using data that the district reported, the CCCCCO identified the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F. For Activity 9 (evaluating BOGG fee waiver applications), we adjusted the CCCCCO information by including students whose fee waiver applications were incomplete and denied, based on information provided by the district.

For Activity 10 (incomplete BOGG fee waiver applications) we applied the time increments to the number of incomplete BOGG fee waiver applications claimed by the district.

For Activity 11 (approved BOGG fee waiver applications) we applied the time required to perform the reimbursable activity by the number of students who received BOGG fee waivers according to statistics provided by the CCCCCO. Using data that the district reported, the CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F.

For Activity 12 (appeals of denied BOGG fee waiver applications) we applied the time increments to the number of student appeals of denied BOGG fee waiver applications claimed by the district.

Calculation of Time Increments Adjustment

The following table summarizes the minutes claimed and allowable for reimbursable Activities 7 through 12.

Reimbursable Activities	Claimed						Allowable
	FY 1999-00 through FY 2002-03	FY 2003-04 through FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09 through FY 2009-10	FY 2010-11	FY 1999-2000 through FY 2010-11
7 Answering questions	4.30	4.30	4.80	5.50	5.50	2.63 (a)	2.63
8 Receiving waiver applications	4.10	4.10	4.60	4.70	4.70	0.67 (a)	0.67
9 Evaluating waiver applications	5.60	5.60	5.30	6.60	6.60	2.00 (a)	2.00
10 Incomplete waiver applications		3.80	4.20	5.30	5.30	0.81 (a)	0.81
11 Approved applications	4.90	4.90	3.90	5.50	—	— (a)	0.89 (b)
12 Appeals of denied waiver applications		3.00	2.80	4.20	4.20	2.91 (a)	2.91
	<u>18.90</u>	<u>25.70</u>	<u>25.60</u>	<u>31.80</u>	<u>26.30</u>	<u>9.02</u>	<u>9.91</u>

Note: Numbering is used to facilitate referencing to individual reimbursable activities.

- (a) The time increments claimed for FY 2010-11 are supported by the district's actual time study. The district's time study combined time for Activity 7 and Activity 11 together under Activity 7.
- (b) The district suggested, and we agreed, that 0.89 minutes should be applied to Activity 11 because their time study did not include additional time to approve BOGG fee waivers applications. We determined this to be a reasonable time increment to comply with the reimbursable activity.

Calculation of Multiplier Adjustment—Number of BOGG Fee Waivers

The following table summarizes the claimed and allowable, and adjustment amounts for the multiplier for each reimbursable activity that took place at the district for reimbursable Activities 7 through 12.

Reimbursable Activity	Claimed Multiplier	Allowable Multiplier	Adjusted Multiplier
7	101,044	128,690	27,646
8	101,044	128,690	27,646
9	101,044	128,690	27,646
10	5,503	5,503	—
11	56,492	122,970	66,478
12	4,818	4,818	—
Total	<u>369,945</u>	<u>519,361</u>	<u>149,416</u>

Productive Hourly Rates

We made no adjustments to the average productive hourly rates claimed for the activities involved with waiving student fees. Therefore, we applied the allowable minutes and the allowable number of BOGG fee waiver applications processed to the claimed productive hourly rates.

Calculation of Hours Adjustments

We multiplied the allowable minutes per reimbursable activity by the multiplier for the reimbursable activities (as identified in the table above) to determine the number of allowable hours for reimbursable Activities 7 through 12.

The following table summarizes the claimed and allowable hours by reimbursable activity for the audit period.

Reimbursable Activity	Hours Claimed	Hours Allowable	Adjusted Hours
7	7,565.96	5,640.90 (a)	(1,925.06)
8	6,445.53	1,437.06 (a)	(5,008.47)
9	9,039.59	4,289.65 (a)	(4,749.94)
10	384.85	74.31 (a)	(310.54)
11	4,567.09	1,824.05 (b)	(2,743.04)
12	256.74	233.69 (a)	(23.05)
Total Hours	28,259.76	13,499.66	(14,760.10)

- (a) The allowable hours are supported by the district's actual time study conducted for FY 2010-11. The district's time study combined Activity 7 and Activity 11 (2.63 minutes).
- (b) The district suggested, and we agreed, that 0.89 minutes should be applied to Activity 11 because their time study did not include additional time to approve BOGG fee waiver applications. We determined this to be a reasonable time increment to comply with the reimbursable activity.

Calculation of Costs by Reimbursable Activities

We applied the audited productive hourly rates to the allowable hours per reimbursable activity. We determined that salaries and benefits totaling \$435,716 are allowable and \$572,268 are unallowable.

The following table summarizes the claimed and allowable salary and benefit costs by reimbursable activity for the audit period.

Reimbursable Activity	Salaries and Benefits Claimed	Salaries and Benefits Allowable	Audit Adjustment
7	\$ 278,744	\$ 212,277 (a)	\$ (66,467)
8	231,313	53,280 (a)	(178,033)
9	326,240	159,046 (a)	(167,194)
10	14,254	2,721 (a)	(11,533)
11	148,117	67,651 (b)	(80,466)
12	9,316	8,392 (a)	(924)
Total	<u>\$ 1,007,984</u>	<u>\$503,367</u>	<u>\$ (504,617)</u>

- (a) The allowable salaries and benefits are supported by the districts actual time study conducted for FY 2010-11. The districts time study combined Activity 7 and Activity 11 (2.63 minutes for both activities).
- (b) The district suggested, and we agreed, that 0.89 minutes should be applied to Activity 11 because their time study did not include additional time to approve BOGG fee waivers applications. We determined this to be a reasonable time increment to comply with the reimbursable activity.

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District's Response

To prepare our response to the time changes that were imposed on our claims for the various enrollment fee waiver activities we interviewed personnel that were here in the years indicated, along with Information Services personnel that had knowledge about the speed of the software systems throughout the years. We also found forms and procedures from earlier years. As previously described in Finding 3, despite the fact the State Controller's Office Audit Staff (SCO) acknowledges the procedures for waiving enrollment fees may have been more time consuming during the earlier year of the audit period (e-mail dated – Wednesday, February 27), at no point has the SCO indicated they have attempted to identify these increases in costs for the reimbursable activities in their audit of claims. Our conversations with District staff, confirm this as they have not had any contact with SCO Audit Staff. As a result, the District believes the following information for Finding #7 to be accurate:

Activity #7 – Answering Student Questions – Prior to FY 2001-2002, all students were required to fill out a paper BOGW application. When questions arose, the staff had to physically pull the paper file out from a center cabinet in order to review the application. From FY 2002-2003 through FY 2005-2006, the staff would print out the online application and then file the paper copy to the center file. From FY 1998-1999 through FY 2005-2006, the application was printed in the class schedule and the student had to rip it out and bring it in with them. When questions arose staff still

had to pull the file from the center cabinet. More time was spent up-front answering questions because there was no electronic means of communication; it was all done in-person with the students. The student had to come back in to check on their status in-person, which also meant more students ended up being in line. After FY 2005-2006, the District implemented online BOGW waiver applications in PeopleSoft. However, this was not a smooth process and the Systems Module Functional Specialist had to continually tweak the program, especially during FY 2004-2005 through FY 2008-2009. The bugs in the system cost processing delays and made answering questions even more difficult.

Prior to 2008, students were not required to fill out FAFSA when applying to college. Therefore, the staff spent a majority of the time explaining to students how to apply and who could qualify for BOGW waivers. Therefore, due to the intense manual time it took to answer questions before FY 2006-2007 the District stands by the original time claimed for this activity which was 4.3 minutes. For FY 2006-2007 and ongoing, as this process was more automated in nature, the 2.63 minutes is acceptable. As described above, the SCO does not offer a variance to match the changes in the District's process for allowable time performing this activity during the FY 1999-2000 through 2005-2006 of the Audit Period. Instead, a time-survey conducted in these last 15 months was used as the basis for allowable activity for the previous 13 years of claims.

Activity #8 – Receiving Enrollment Fee Waiver Applications – Prior to FY 2005-2006, the system was completely manual and the financial aid personnel would have to manually receive all applications, at the same time ensuring everything on the application was complete. These applications would also have to be filed and retrieved manually. From FY 2005-2006 through FY 2008-2009 there was an online system, but as stated above, that system was considerably slower than it currently is.

Therefore, due to the intense manual effort it took to receive all applications prior to FY 2006-2007 the District stands by the original time claimed for this activity which was 4.1 minutes. As described above, the survey for this time was taken while the District's process was still in place. As previously alluded to, the SCO does not offer a variance in the allowable time for this activity during the FY 1999-2000 through FY 2005-2006 of the Audit Period. For FY 2006-2007 onward, as this process was more automated in nature, the .67 minutes is acceptable.

Activity #9 – Evaluating waiver applications and verifying documentation – The same methods were employed here as above. Prior to FY 2005-2006 everything concerning an application was done manually, including verifying all applications and evaluating them. All documentation checking was a manual process as well because no information was shared electronically between departmental areas. This meant the following processes had to be done manually: checking all student IDs or social security information, verifying that the student was a California resident, analyzing and confirming the student's dependency status to ensure the proper status was indicated on the application, and looking at the appropriate tax returns.

Therefore, due to the intense manual effort it took to receive all applications prior to FY2006-07 (1999-2000 through FY 2005-2006) the District stands by the original time claimed for this activity which was 5.6 minutes. The time was determined to be representative during the period of the 2005-2006 fiscal year. The SCO has relied solely on the time surveyed in FY 2011-2012 to represent this same period of time. For FY 2006-07 and

onward, as this process was more automated in nature, the 2.0 minutes is acceptable.

Activity #10 – Notifying students of additional required information, in the case of an incomplete application – The same methods were employed here as above. Prior to FY2005-06 students were contacted by phone or possibly e-mail. It was a highly manual process. After FY2005-06 contact was by e-mail and everything was in the system. If the student brought in more information, the file had to be pulled from the cabinet and processed manually if it was before FY2005-06. Any changes to applications between FY 2006-2007 and FY 2008-2009 had to be done by the staff because there was a system security issue that meant students could not change information themselves.

Therefore, due to the intense manual effort it took to receive all applications prior to FY 2006-2007 the District stands by the original time claimed for this activity which was 3.8 minutes. For FY 2006-2007 onward, as this process was more automated in nature, the .81 minutes is acceptable. As described in the previous Activities (#7, #8 and #9) under Finding 7, the District claimed time that was identified as accurate during the period the process was in place. As previously described, the SCO does not offer a variance in the allowable time for this activity during the FY 1999-2000 through FY 2005-2006 of the Audit Period.

Activity #11 – Copying all documentation and file the information for further review, in the case of an approved application – This was discussed at the exit conference and it is the District's understanding that the time approved for this activity will be 2.91 minutes for all years, to which we still agree.

Activity #12 – Appealing a denied BOGW fee waiver application – The District disagrees with the SCO that there is no formal appeal process for denied BOGW fee waiver applications. The appeals process is not very dissimilar to how it has always been. When a student appeals, they write out their reasoning for the appeal, the front counter staff prints out the screen (or when done manually, pulls the file), walks the information to Mary SanAgustin who looks at all the documents, enters her decision online (or on the form when it was done manually) and gives it back to the staff person, who then contacts the student. The time study we have done today has shown it takes 3 minutes for the appeals process, and the District thinks this time should be applicable to all years.

SCO's Comment

The finding and recommendation remain unchanged.

General Comments

We initially discussed our intent to apply the time currently required to perform the reimbursable activities to the prior years of the audit period during a status meeting held on August 19, 2011. The district has had over 18 months to develop reasonable support explaining why these activities required more time in prior years. During the audit exit conference held on November 30, 2012, we discussed with district representatives the issue of providing support for the time required to perform the reimbursable activities during the earlier years of the audit period. The district representatives stated that they would interview staff employed by the district during those years, who would describe what the process was like at that time. In addition, the district stated that they

would provide samples of forms and documentations of policies and procedures. However, the district provided only a narrative that described in generic terms the systems in place during the early years of the audit period. The district did not provide any numerical analysis or support to accompany the narrative.

The narrative references interviews with staff employed at the district during the earlier years of the audit period, and various forms and procedures documents. However, the district provided no information with the narrative to support the information submitted. In addition, the district's explanation for some of the reimbursable activities co-mingles steps that are reimbursable for other reimbursable activities.

As we noted during the exit conference, it would be helpful if the district approached this analysis from the perspective of what a student would have experienced during the early years of the audit period to have a BOGG fee waiver application processed and how that process differs from what is in place currently. Generic statements such as "the system was incredibly slow" or "the process was extremely manual" does not provide enough information on which to base adjustments to the time increments from the district's recent time study.

In addition, the district provided no analysis in the narrative to show, for example, why it took 1.64 times longer to perform Activity 7 during the early years of the audit period (through FY 2005-06) than it takes now.

IT System Information

In its response to Finding 3, the district references the information describing the various operating systems used in the district's computers during the audit period.. However, the district provided no analysis showing the approximate number of seconds required to perform any of the reimbursable activities. Such analysis could be based on time required for the district's current operating system to perform the activities and then adjusted based upon processing speeds and software used in previous years. Based on the information provided, we do not believe that the additional computer processing time required would represent a significant difference; as such differences could likely be represented in seconds or fractions of seconds. In addition, we noted that the district acquired the PeopleSoft software system during FY 2000-01 and is still currently using this system. The district referenced several upgrades made to this system in subsequent years, but has not provided any specifics explaining why this system would have been slower in prior years than it is today.

Description of Activities

Activity 7—Answering Student Questions

The district explained the time increments required to perform the activity during the earlier years of the audit period in a generic narrative. However, as noted in our General Comments, the district did not provide any substance to support its response. Reference is also made to FY 1998-99 in the response, although processing fee waivers was not a reimbursable activity until FY 1999-2000.

The district proposes using the time increment of 4.3 minutes that was

claimed for FY 1999-2000 through FY 2005-06. The district did not provide a more thorough description by breaking down the various steps required during each of the earlier years of the audit period. The district stated that the process was entirely manual prior to FY 2001-02 and went online starting in FY 2002-03. We do not understand how the time increment of 4.3 minutes would remain the same for a partially automated system as opposed to an entirely manual process. The district provided no analysis, other than the narrative, supporting why it took 1.64 times as long to perform this activity through FY 2005-06 when compared to how long it takes now.

Activity 8—Receiving Waiver Applications

The district's narrative states that the system was completely manual prior to FY 2005-06, while the narrative for Activity 7 states that the fee waiver application was available online starting in FY 2002-03. The district references the filing of applications, which is part of reimbursable Activity 11 and "ensuring that everything on the application was complete," which is reimbursable Activity 9. The district also references retrieving applications, although the reimbursable activity is only for receiving applications. The district provided no analysis supporting why it took 6.12 times as long to perform this activity up through FY 2005-06 when compared to how long it takes now.

Activity 9—Evaluating Waiver Applications

The district's response references the sharing of information between departments. The district did not provide more clarity as to what other departments were involved in the activity of evaluating BOGG fee waiver applications. The response also outlines a number of manual steps that were required, although no time analysis was provided describing the amount of time required for each step. The district's narrative also states that the system was completely manual prior to FY 2005-06, while the narrative for Activity 7 states that the fee waiver application was available online starting in FY 2002-03. The district provided no analysis supporting why it took 2.8 times as long to perform this activity through FY 2005-06 when compared to how long it takes now.

Activity 10—Incomplete Waiver Applications

The reimbursable activity is to notify students of additional information required and how to obtain it, and then to hold the application in a suspense file until the information was received. However, the district's narrative makes reference to various manual processing activities that are included in Activity 9 and Activity 8. The district provided no analysis supporting why it took 4.7 times longer to perform this activity through FY 2005-06 than it takes now.

Activity 11—Approved Waiver Applications

We discussed the time required for this activity during the audit exit conference on November 30, 2012. However, we stated that we collectively agreed to apply .89 minutes for this activity. The 2.91 minutes indicated in the district's response originates from the district's time study for time spent on Activity 12. We applied .89 minutes to conduct Activity 11 for all years of the audit period to compute allowable costs. As a result, allowable costs increased by \$67,651.

Activity 12—Denied Waiver Applications

The district states that "The time study we have done today has shown it takes 3 minutes for the appeals process." However, as noted above for Activity 11, the district's time study supports 2.91 minutes for this activity, which is the time increment that we used for determining allowable costs.

**FINDING 8—
Unallowable indirect
costs**

The district claimed indirect costs during the audit period totaling \$2,918,815 (\$2,520,628 for enrollment fee collection activities and \$398,187 for enrollment fee waiver activities). For enrollment fee collection activities, we determined that \$230,164 is allowable and \$2,290,464 is unallowable. For enrollment fee waiver activities, we determined that \$130,320 is allowable and \$267,867 is unallowable. The costs are unallowable because of indirect cost rate calculation errors in each year of the audit period (\$83,896) and the unallowable salaries and benefits identified in Findings 1 through 7 (\$2,474,435).

Indirect Cost Rates Claimed

The district did not provide its approved indirect cost rate proposals for FY 1998-99 through FY 2001-02 and for FY 2004-05 through FY 2006-07.

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

For FY 2007-08 through FY 2010-11, the district claimed indirect costs based on indirect cost rates that it prepared using the SCO FAM-29C methodology.

For all years of the audit period, we noted errors in the indirect cost rates that the district claimed.

Recalculated Indirect Cost Rates

For FY 1998-99 through FY 2001-02 and FY 2006-07 through FY 2010-11, we recalculated indirect costs using the SCO FAM-29C methodology. We calculated the allowable indirect cost rates each year by using the information contained in the California Community College Annual Financial Budget Report Expenditures by activity report (CCFS-311). The district incorrectly calculated its indirect cost rates using total direct costs as the base for FY 2007-08 through FY 2010-11. The district was unable to provide approved indirect cost rate proposals for FY 1998-99 through FY 2001-02 and for FY 2004-05 through FY 2006-07.

For FY 2002-03 through FY 2005-06, we used the audited indirect cost rates from our audit of the district's Health Fee Elimination Program issued on November 30, 2010. In this audit, the district prepared its indirect cost rates for FY 2002-03 and FY 2003-04 using the OMB A-21 indirect cost principles. However, the district did not obtain federal approval for these rates. The district did not provide its indirect cost rate proposals for FY 2004-05 and FY 2005-06. In the absence of an approved OMB A-21 rate, the parameters and guidelines allow districts to use either the SCO FAM-29C methodology or a 7% indirect cost rate for these fiscal years. The audited rates were based on the FAM-29C methodology.

Our calculations show that the district overstated its indirect cost rates for FY 1998-99 through FY 2007-08 and understated its indirect cost rates for FY 2008-09 through FY 2010-11.

The following table summarizes the claimed, allowable, and audit adjustments for indirect cost rates.

<u>Fiscal Year</u>	<u>Claimed</u>	<u>Allowable</u>	<u>Audit Adjustment</u>
1998-99	32.61%	15.01%	(17.60)%
1999-2000	32.87%	17.24%	(15.63)%
2000-01	35.16%	15.76%	(19.40)%
2001-02	35.41%	17.93%	(17.48)%
2002-03	33.72%	15.31%	(18.41)%
2003-04	29.56%	13.88%	(15.68)%
2004-05	27.57%	23.58%	(3.99)%
2005-06	25.48%	24.79%	(0.69)%
2006-07	28.44%	23.35%	(5.09)%
2007-08	28.44%	26.61%	(1.83)%
2008-09	23.87%	27.07%	3.20%
2009-10	25.28%	28.07%	2.79%
2010-11	26.20%	28.28%	2.08%

Enrollment Fee Collection

The district claimed \$2,520,628 for indirect costs during the audit period, related to salaries and benefits claimed for enrollment fee collection activities for FY 1998-99 through FY 2010-11. We determined that \$230,164 is allowable and \$2,290,464 is unallowable. We determined that \$68,893 is unallowable due to the indirect cost rate adjustments described above, and \$2,221,571 is unallowable as a result of the unallowable salaries and benefits identified in Findings 1 through 7.

The following table summarizes the claimed, allowable, and audit adjustment amounts for indirect costs related to enrollment fee collection by fiscal year.

Fiscal Year	Enrollment Fee Collection				
	Claimed Indirect Cost Rates	Allowable Indirect Cost Rates	Claimed Costs	Allowable Costs	Audit Adjustment
1998-99	32.61%	15.01%	\$ 84,598	\$ 7,670	\$ (76,928)
1999-2000	32.87%	17.24%	92,969	9,061	(83,908)
2000-01	35.16%	15.76%	139,817	10,819	(128,998)
2001-02	35.41%	17.93%	161,838	12,976	(148,862)
2002-03	33.72%	15.31%	149,237	10,761	(138,476)
2003-04	29.56%	13.88%	140,583	10,089	(130,494)
2004-05	27.57%	23.58%	142,737	17,166	(125,571)
2005-06	25.48%	24.79%	140,703	19,733	(120,970)
2006-07	28.44%	23.35%	315,371	19,817	(295,554)
2007-08	28.44%	26.61%	362,245	26,551	(335,694)
2008-09	23.87%	27.07%	383,457	26,472	(356,985)
2009-10	25.28%	28.07%	341,453	29,006	(312,447)
2010-11	26.20%	28.28%	65,620	30,043	(35,577)
Total			<u>\$ 2,520,628</u>	<u>\$ 230,164</u>	<u>\$ (2,290,464)</u>

Enrollment Fee Waivers

The district claimed \$398,187 for indirect costs during the audit period related to salaries and benefits claimed for enrollment fee waivers activities for FY 1999-2000 through FY 2010-11. We determined that \$130,320 is allowable and \$267,867 is unallowable. We determined that \$15,003 is unallowable due to the indirect cost rate adjustments mentioned above and \$252,864 is unallowable as a result of the unallowable salaries and benefits identified in Findings 1 through 7.

The following table summarizes the overstated indirect costs related to enrollment fee waivers by fiscal year.

Fiscal Year	Enrollment Fee Waivers				
	Claimed Indirect Cost Rates	Allowable Indirect Cost Rates	Claimed Costs	Allowable Costs	Audit Adjustment
1999-2000	32.87%	17.24%	\$ 8,771	\$ 553	\$ (8,212)
2000-01	35.16%	15.76%	13,475	1,940	(11,535)
2001-02	35.41%	17.93%	14,636	2,457	(12,179)
2002-03	33.72%	15.31%	15,388	4,085	(11,303)
2003-04	29.56%	13.88%	19,796	4,528	(15,268)
2004-05	27.57%	23.58%	25,855	10,737	(15,118)
2005-06	25.48%	24.79%	26,709	12,326	(14,383)
2006-07	28.44%	23.35%	30,010	12,106	(17,904)
2007-08	28.44%	26.61%	40,381	15,746	(24,635)
2008-09	23.87%	27.07%	38,664	17,513	(21,151)
2009-10	25.28%	28.07%	57,007	21,984	(35,023)
2010-11	26.20%	28.28%	107,495	26,345	(81,150)
Total			\$ 398,187	\$ 130,320	\$ (267,867)

The parameters and guidelines (section V.B.–Claim Preparation and Submission–Indirect Costs) state that:

Indirect costs are costs that have been incurred for common or joint purposes. . . . Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, “Cost Principles of Education Institutions”; (2) the rate calculated on State Controller’s Form FAM-29C; or (3) a 7% indirect cost rate.

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The District agrees with the rates in this finding.

SCO’s Comment

The finding and recommendation remain unchanged.

**FINDING 9—
Understated and
Overstated Offsetting
Reimbursements**

The district claimed offsetting reimbursements totaling \$1,774,105 (\$698,399 for enrollment fee collection and \$1,075,706 for enrollment fee waivers). We determined that offsetting reimbursements for enrollment fee collection were understated by \$522,547, and were for enrollment fee waivers overstated by \$414,403.

Enrollment Fee Collection

For the audit period, the district claimed offsetting reimbursements for enrollment fee collection totaling \$698,399, related to the offset of two percent of revenues from enrollment fees. We obtained a report from the CCCCCO confirming enrollment fee collection offsets paid to the district totaling \$1,461,258 during the audit period. We limited offsetting reimbursements received by the district to allowable direct and indirect costs. Allowable direct and indirect costs applicable for the audit period related to enrollment fee collection activities totaled \$1,262,227. The offsets applicable to the audit totaled \$1,220,946. The district claimed \$698,399. Consequently, the district understated offsetting reimbursements by \$522,547.

The following table summarizes the understated enrollment fee collection offsetting reimbursements by fiscal year.

Enrollment Fee Collection Offsets					
Fiscal Year	Allowable Direct and Related Indirect Costs (A)	Offsets Claimed (B)	Actual Offset Confirmed by the CCCCCO (C)	Offset Applicable to Audit (D)	Audit Adjustment (E) = (D-B)
1998-99	\$ 58,772	\$ (22,321)	\$ (64,114)	\$ (58,772)	\$ (36,451)
1999-2000	61,620	(20,131)	(68,148)	(61,620)	(41,489)
2000-01	79,469	(13,841)	(66,677)	(66,677)	(52,836)
2001-02	85,344	(3,775)	(67,070)	(67,070)	(63,295)
2002-03	81,047	(13,864)	(70,832)	(70,832)	(56,968)
2003-04	82,779	(27,078)	(112,206)	(82,779)	(55,701)
2004-05	89,963	(38,296)	(156,726)	(89,963)	(51,667)
2005-06	99,334	(36,402)	(158,863)	(99,334)	(62,932)
2006-07	104,686	(53,254)	(140,679)	(104,686)	(51,432)
2007-08	126,331	(41,784)	(128,290)	(126,331)	(84,547)
2008-09	124,262	(128,224)	(128,224)	(124,262)	3,962
2009-10	132,342	(157,133)	(157,133)	(132,342)	24,791
2010-11	136,278	(142,296)	(142,296)	(136,278)	6,018
Total	<u>\$ 1,262,227</u>	<u>\$ (698,399)</u>	<u>\$ (1,461,258)</u>	<u>\$(1,220,946)</u>	<u>\$ (522,547)</u>

Consequently, the unused portion of offsetting reimbursements related to enrollment fee collection costs total \$240,312 as follows:

<u>Fiscal Year</u>	<u>Actual Offsets Confirmed by the CCCCCO (A)</u>	<u>Offset Applicable to Audit (B)</u>	<u>Unused Portion of Offsets (A - B)</u>
1998-99	\$ (64,114)	\$ (58,772)	\$ (5,342)
1999-2000	(68,148)	(61,620)	(6,528)
2000-01	(66,677)	(66,677)	—
2001-02	(67,070)	(67,070)	—
2002-03	(70,832)	(70,832)	—
2003-04	(112,206)	(82,779)	(29,427)
2004-05	(156,726)	(89,963)	(66,763)
2005-06	(158,863)	(99,334)	(59,529)
2006-07	(140,679)	(104,686)	(35,993)
2007-08	(128,290)	(126,331)	(1,959)
2008-09	(128,224)	(124,262)	(3,962)
2009-10	(157,133)	(132,342)	(24,791)
2010-11	(142,296)	(136,278)	(6,018)
Total	<u>\$ (1,461,258)</u>	<u>\$ (1,220,946)</u>	<u>\$ (240,312)</u>

Enrollment Fee Waivers

For enrollment fee waivers, we also limited offsetting reimbursements received by the district to allowable direct and indirect costs. We obtained a report from the CCCCCO confirming enrollment fee waivers offsets paid to the district totaling \$1,292,321 for the audit period. Allowable direct and indirect costs applicable to the audit period related to enrollment fee waivers activities totaled \$661,303; therefore, this amount represents offsets applicable to the audit period. The district claimed \$1,075,706. Consequently, the district overstated allowable enrollment fee waiver offsets by \$414,403.

The following table summarizes the overstated enrollment fee waiver offsetting reimbursements by fiscal year:

<u>Enrollment Fee Waivers Offsets</u>					
<u>Fiscal Year</u>	<u>Allowable Direct and Related Indirect Costs (A)</u>	<u>Offsets Claimed (B)</u>	<u>Actual Offsets Confirmed by the CCCCCO (C)</u>	<u>Offset Applicable Audit (D)</u>	<u>Audit Adjustment (E) = (D-B)</u>
1999-2000	\$ 3,579	\$ (17,511)	\$ (83,694)	\$ (3,759)	\$ 13,752
2000-01	14,252	(38,326)	(71,048)	(14,252)	24,074
2001-02	16,160	(41,331)	(54,809)	(16,160)	25,171
2002-03	30,770	(45,634)	(81,422)	(30,770)	14,864
2003-04	37,154	(66,969)	(101,704)	(37,154)	29,815
2004-05	56,271	(93,780)	(116,298)	(56,271)	37,509
2005-06	62,049	(104,826)	(160,485)	(62,049)	42,777
2006-07	63,953	(105,521)	(130,033)	(63,953)	41,568
2007-08	74,919	(141,986)	(122,331)	(74,919)	67,067
2008-09	82,209	(115,586)	(123,589)	(82,209)	33,377
2009-10	100,304	(138,745)	(139,436)	(100,304)	38,441
2010-11	119,503	(165,491)	(161,472)	(119,503)	45,988
Total	<u>\$ 661,303</u>	<u>\$ (1,075,706)</u>	<u>\$ (1,292,321)</u>	<u>\$ (661,303)</u>	<u>\$ 414,403</u>

Consequently, the unused portion of offsetting reimbursements related to enrollment fee waivers costs total \$631,018 as follows:

<u>Fiscal Year</u>	<u>Actual Offsets Confirmed by the CCCCO (A)</u>	<u>Offset Applicable to Audit (B)</u>	<u>Unused Portion of Offsets (A-B)</u>
1999-2000	\$ (83,694)	\$ (3,759)	\$ (79,935)
2000-01	(71,048)	(14,252)	(56,796)
2001-02	(54,809)	(16,160)	(38,649)
2002-03	(81,422)	(30,770)	(50,652)
2003-04	(101,704)	(37,154)	(64,550)
2004-05	(116,298)	(56,271)	(60,027)
2005-06	(106,485)	(62,049)	(44,436)
2006-07	(130,033)	(63,953)	(66,080)
2007-08	(122,331)	(74,919)	(47,412)
2008-09	(123,589)	(82,209)	(41,380)
2009-10	(139,436)	(100,304)	(39,132)
2010-11	(161,472)	(119,503)	(41,969)
Total	<u>\$ (1,292,321)</u>	<u>\$ (661,303)</u>	<u>\$ (631,018)</u>

The parameters and guidelines (section VII-Offsetting Savings and Reimbursements state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including, but not limited to services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

Enrollment Fee Collection Program:

The cost of the Enrollment Fee Collection program are subject to an offset of two percent (2%) of the revenue from enrollment fees (Ed. Code, 76000, subd.(c))

Enrollment Fee Waiver Program:

The costs of the Enrollment Fee Waiver program are subject to the following offsets:

July 1, 1999 to July 4, 2000:

- For low income students² or recipients of public assistance³, or dependents or surviving spouses of National Guard soldiers killed in the line of duty⁴ as defined:

- an offset identified in Education Code section 76300, subdivision (m), that requires the community college Board of Governors, from funds in the annual budget act, to allocated to community college two percent (2%) of the fees waived, under subdivision (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined] of section 76300; and
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined), or dependents or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived:
 - from funds provided in the annual State Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to seven (7%) of the fee waivers provided, pursuant to subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and 9h0 [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined].⁵

Beginning July 5, 2000:

- For low-income students (as defined), or recipient of public assistance (as defined) or dependent or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived (as defined):
 - an offset identified in Education Code section 76300, subdivision (m), that requires the Community College Board of Governors, from funds in the annual budget act, to allocate to community colleges two (2%) of the fees waived, under subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents of California National Guard soldiers killed in the line of duty as defined] of section 76300;
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined) for whom fees are waived:
 - requires the Board of Governors to allocate from funds in the annual State Budget Act ninety-one cents (\$0.91) per credit unit waived pursuant to subdivisions (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or California National Guard soldiers killed in the line of duty as defined].
- Any budget augmentation received under the Board Financial Assistance Program Administrative Allowance, or any other state budget augmentation received for administering the fee waiver program.

Note – Footnotes 2 through 5 are included in the parameters and guidelines to provide additional clarification.

Recommendation

We recommend that the district report the applicable offsetting reimbursements for the Enrollment Fee Collection and Waivers Program on its mandated cost claims based on information provided by the CCCCCO.

District's Response

The District does have some minor disagreements with the amounts as confirmed by the CCCCCO; however these amounts are not significant. The District would ask the SCO to reconfirm these amounts.

SCO's Comment

The finding and recommendation remain unchanged.

We used the offsetting reimbursements paid to the district for enrollment fee collection and enrollment fee waivers as reported to us by the CCCCCO. We recommend that the district contact the CCCCCO if there are disagreements with the offsetting reimbursements reported.

**FINDING 10—
Misstated Productive
Hourly Rates for
Calculating and
Collecting Enrollment
Fees Cost Component**

For the audit period, the district calculated average productive hourly rates separately for employees involved in calculating and collecting enrollment fees and for employees involved in waiving student fees. The district calculated its average productive hourly rates using a straight average methodology. However, we noted various calculation errors made in the district's productive hourly rate calculations related to enrollment fee collection activities for FY 2005-06 and for FY 2007-08 through FY 2010-11. Accordingly, we made minor adjustments to the productive hourly rate average for those years.

For the audit period, the district calculated an average productive hourly rate for the employees involved in enrollment fee collection activities by calculating each employee's productive hourly rate, adding up the total of individual productive hourly rates, and dividing by the number of employees. During our review of the district's calculations, we noted various errors made in the district's calculations.

The parameters and guidelines (section V—Claim Preparation and Submission—Direct Cost Reporting—Salaries and Benefits) state that, for salaries and benefits, claimants are required to:

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the reimbursable activities performed and the hours devoted to each reimbursable activity performed.

The SCO's claiming instructions state that one of three options may be used to compute productive hourly rates:

- Actual annual productive hours for each employee

- The weighted-average annual productive hours for each job title, or
- 1,800 annual productive hours for all employees. (The 1,800 annual productive hours excludes time for paid holidays, vacation earned, sick leave taken, informal time off, jury duty, and military leave taken).

For FY 2005-06 and for FY 2007-08 through FY 2010-11, we noted the following errors in the district's productive hourly rate calculations:

- FY 2005-06 – the district understated salaries and benefits paid and used a base of 1,800 productive hours. After we adjusted for actual salaries and benefits paid and used a base of 1,800 productive hours, the average rate decreased by \$0.05; from \$37.26 to \$37.21.
- FY 2007-08 – the district excluded two Senior Accounting Assistants who performed the reimbursable activities from its productive hourly rate calculation. As a result, the average rate decreased by \$0.50; from \$38.37 to \$37.87.
- FY 2008-09 – the district excluded three Senior Accounting Assistants who performed the reimbursable activities from its productive hourly rate calculation. As a result, the average rate decreased by \$1.83; from \$38.05 to \$36.22.
- FY 2009-10 – the district excluded three Senior Accounting Assistants who performed the reimbursable activities from its productive hourly rate calculation. In addition, the productive hourly rate for one Enrollment Services Specialist was overstated. As a result, the average rate decreased by \$1.97; from \$40.81 to \$38.84.
- FY 2010-11 – instead of calculating a productive hourly rate average for reimbursable Activities 1 through 6 together, the district calculated averages separately for each activity. For Activity 1 (referencing student accounts) the district included nine staff who were not involved in enrollment fee collection activities. Instead, they were involved in enrollment fee waivers activities. However, the district excluded seven employees who were involved in enrollment fee collection activities who worked at the Pendleton and Escondido Education Centers. As a result, the average rate for activity 1 increased by \$2.07; from \$43.72 to \$45.79. For Activity 6 (providing refunds to students) the district excluded a Senior Accounting Assistant that was involved in the reimbursable activity in the Cashier's Office. As a result, the average rate increased by \$1.10; from \$38.01 to \$39.11.

The following table summarizes the changes that we made to average productive hourly rates for enrollment fee collection activities by fiscal year:

Fiscal Year	Enrollment Fee Collections		
	Claimed Average Productive Hourly Rate	Audited Average Productive Hourly Rate	Audit Adjustment
1998-99	\$ 8.97	\$ 18.97	\$ —
1999-2000	19.92	19.92	—
2000-01	26.30	26.30	—
2001-02	27.46	27.46	—
2002-03	28.62	28.62	—
2003-04	31.34	31.34	—
2004-05	34.48	34.48	—
2005-06	37.26	37.21	(0.05)
2006-07	35.13	35.13	—
2007-08	38.37	37.87	(0.50)
2008-09	38.05	36.22	(1.83)
2009-10	40.81	38.84	(1.97)
2010-11 (Activity 1)	43.72	39.83	(3.89)
2010-11 (Activity 2)	30.41	30.41	—
2010-11 (Activity 3)	41.57	41.57	—
2010-11 (Activity 4)	30.41	30.41	—
2010-11 (Activity 5)	30.41	30.41	—
2010-11 (Activity 6) (a)	49.45	49.45	—
2010-11 (Activity 6) (b)	38.01	39.11	1.10

Notes:

(a) Financial Aid/Enrollment Services staff

(b) Cashier's Office staff

Recommendation

We recommend that the district ensure that productive hourly rates are calculated in accordance with the guidance provided in the SCO's claiming instructions.

District's Response

The District agrees with the productive hourly rates as shown in this finding.

SCO's Comment

The finding and recommendation remain unchanged.

**OTHER ISSUE—
District's General
Response**

In its response dated March 28, 2013, the district objected to the SCO's retroactive application of the district's time study results for the time required to perform enrollment fee collection and enrollment fee waivers activities during FY 2011-12 to all years of the audit period. For the purposes of this audit, this affected only our calculations of allowable costs for the cost components of "Calculating and Collecting Enrollment Fees" and "Waiving Student Fees" (Findings 3 and 7) and related indirect costs. The district also objected to the overall results of the audit for all cost components of the mandated program.

District's Response

Our exceptions include:

The District is being heavily penalized by the fact that the State Controller's Office did not initiate the audit until more than five years passed following the initial filing period. Adding to that challenge was the fact the eligible period of reimbursement began in July 1998. This did not allow for any opportunity to do accurate, timely time studies of how long it took to process the enrollment fee waivers and collection for this initial filing period.

In addition to the above, the State Controller's Office has not taken into consideration the automation of such procedures in recent years which meant it took longer to process the data thirteen years ago. It is an incredible burden for the District to prove how long these processes took thirteen years ago. We do believe it would have been more feasible had the State Controller's Office performed a more timely audit of these claims. It's reasonable to ascertain that with the leaps in technology over the past decade, any fee waiver and collection processes would have been much more labor-intensive thirteen years ago; however, the State Controller's Office refuses to account for this fact in their time allowances.

Based on the draft audit findings, the State Controller's Office is claiming that it only cost the District \$1,032,063 in direct costs for thirteen years to collect enrollment fees. This calculates out to an average of just less than \$80,000 a year for salaries and benefits. For most of these years, this amount would barely allow for one full time employee to handle all the duties required to prepare policies and procedures, train staff, reference student accounts, calculate the fees, answer questions, update records, collect delinquent fees and provide refunds for over 50,000 accounts a year. Also, there would have to be more than one employee in order to provide adequate coverage, so we do not see how the State Controller's Office considers this reasonable. Nor does the District understand how the State Controller's Office thinks only one person can handle this workload, especially when the process was much less automated in prior years.

Based on the draft audit findings, the State Controller's Office is claiming that it only cost the District \$661,303 in direct costs for thirteen years to provide enrollment fee waivers. This calculates out to just over \$50,000 a year for salaries and benefits to process enrollment fee waivers. This would provide funding for less than one full-time person. This part time person

would have had to prepare policies and procedures, train staff, adopt procedures, record and maintain records, answer questions, receive the applications, evaluate the applications, ask for more information when the application was incomplete, approve the applications and listen to any BOGW appeals for an average of almost 11,000 applications a year. Again, the District does not understand how the State Controller's Office considers this reasonable.

In the responses to the District's attempt to explain how manual the process was and how slow the computer was in earlier years, the State Controller's Office appeared to refuse to accept anything but irrefutable proof that this was the case. Again, this is nearly impossible to prove thirteen years after the fact, but even in cases where the State Controller's Office accepted that our requests may be reasonable, they refused to modify their report. The District does not understand this conclusion."

The district concluded with the following statement:

In Finding 3 and Finding 7, the District and the State Controller's Office are in agreement that processes have changed for the District for many of the activities eligible for reimbursement. This is also the same for most, if not all of the Community College Districts in the State. The fact that the State Controller's Office acknowledges that a change in process has occurred and a likely and significant decrease in time per activity would result is very reasonable. Failing to account for that change in earlier years of Audit Period and failing to acknowledge those changes in the audit report constitutes an arbitrary decision made by the State Controller's Office Auditors. As a result, failing to account for that change in this audit and reducing the claims for the initial filing period constitutes a violation of Government Code section 11342.600 (Administrative Procedures Act – Underground Regulation).

The District respectfully requests reconsideration and inclusion of reasonable costs in those two findings (Finding 3 and Finding 7), before publishing the Audit Report.

SCO's Comment

We will address the district's comments in the order in which they appear in its response.

Timing of the Audit

The district states in the beginning of its response that it is being "heavily penalized" due to the timing of our audit and makes reference again to the timeliness of the audit in the next paragraph of its response. The district's initial claims for this mandated program were filed in July 2006 and our audit began in May 2011. Our audit relied on the criteria for reimbursement under the mandated program contained in the parameters and guidelines, adopted by the CSM on January 26, 2006. All claimants were notified of these requirements for the Enrollment Fee Collection and Waivers Program as of that date, which have not changed since that time. Therefore, regardless of the timing of our audit, the district's claims should have been adequately supported and documented in accordance

with the requirements specified in the parameters and guidelines. In addition, the district's Enrollment Fee Collection and Waivers Programs claims for FY 1998-99 through FY 2008-09 were prepared under contracts with private mandated-cost consultants and the claims for FY 2009-10 and FY 2010-11 were prepared internally. None of the claims were supported by any actual cost information.

Length of Time to Perform the Reimbursable Activities in Prior Years

As noted above, our audit began in May 2011. We held our first status meeting with the district on July 13, 2011, in which we advised the district's Director of Fiscal Services that the claims were based on estimates and that we would be observing district staff performing the reimbursable activities in the district's Cashier's Office and Financial Aid Office. The purpose of these observations was to determine if the time increments cited in the district's claims were reasonable. After we performed these observations, we held another status meeting with the district on August 19, 2011. During that meeting, we advised the district of our conclusions that the time increments claimed were significantly overstated based on our observation results.

We asked the district to provide support for the time increments applicable to the audit period. We advised the district that, without such support, we would calculate allowable costs by applying our observation results to the entire audit period. The district's Director of Fiscal Services objected to the retroactive application of our observation results to the earlier years of the audit period at that time, noting that certain reimbursable activities took longer to perform using the computer system and processes in place during the earlier years. The district has had over 18 months to provide reasonable support for the time required to perform the reimbursable activities in the earlier years of the audit period. To date, the district has provided only a narrative dated January 11, 2013, providing a brief explanation of the systems and processes in place in the early years of the audit period. The district did not provide any analysis or documentation with the narrative to support its conclusions that the time increments originally estimated were correct.

In its response, the district states that our office "refused to accept anything but irrefutable proof" of the time required to conduct the reimbursable activities during the earlier years of the audit period. We disagree. During the audit exit conference in November 2012, we again asked the district to provide reasonable support documenting its conclusions of the time increments required to collect enrollment fees and process BOGG fee waiver applications during the earlier years of the audit period. For example, the district could have provided support in the form of employee interviews, indicating the names and classifications of the employees interviewed, dates of employment, and how they were involved in the reimbursable activities. The district also could have provided examples of forms and an explanation of the manual and computerized systems that it used. The district also could have provided some form of numerical analysis supporting the time increments that were originally estimated. Instead, the district reaffirmed the time increments cited in its claims and provided us with only a generic

description of its processes during the early years of the audit period. This information lacked the substance and specifics to support the conclusions reached.

The district also states that it did not have “any opportunity to do accurate, timely time studies of how long it took to process the enrollment fee waivers and collections” for the initial filing period FY 1998-99 through FY 2004-05. We disagree. As noted above, the parameters and guidelines for the mandated program were adopted on January 26, 2006. The SCO first issued claiming instructions for this program on April 3, 2006, stating that reimbursement claims for the initial filing period were due on or before August 1, 2006. The district had up to six months to complete a time study and apply the results to the initial filing period, thereby supporting its claims with actual cost information. After our audit began in May 2011, the district performed a time study and applied the results to the FY 2010-11 claim. This time study was performed and completed in a short period of time. We used the time increments from the district’s time study to compute allowable costs for the entire audit period. We did this because the district’s time study results were reasonable and did not differ materially from our own observations of district staff performing the reimbursable activities.

The district states that our position regarding its narrative is arbitrary and constitutes underground regulations. We disagree. The district must provide reasonable support for its claims other than its original time estimates, explaining why the results of its time study conducted in FY 2010-11 should be adjusted. We have been attempting to work with the district on this issue. However, we recognize that the parameters and guidelines were adopted in FY 2005-2006 and allowed for the filing of claims back to FY 1998-99. Therefore, we allowed time studies as a reasonable approach to resolve this dilemma, along with other forms of analysis and documentation. It is not the SCO’s responsibility to develop support for the district’s claims. Our audit scope is described on page two of the draft report, stating that our 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. To the extent that costs claimed were based on estimates, the costs claimed are not supported by appropriate source documents and are unreasonable.

Enrollment Fee Collection and Waivers

The district states in its response its lack of understanding of how we could conclude that the district only incurred costs of \$1,032,063 to perform the six reimbursable activities of collecting enrollment fees and \$661,303 to perform the six reimbursable activities of processing BOGG fee waivers over the 13-year audit period. However, our audit report does not state that. Instead, our audit report states that the district has only *supported* costs for these amounts.

As noted previously, we asked the district to provide support describing what a student would have experienced in the earlier years of the audit period when coming to the district's Cashier's Office to pay enrollment fees and to the Financial Aid Office to have their BOGG fee waiver application processed. While the district provided a narrative explaining why the process took more time, the district did not provide any analysis or documentation with the narrative to support its conclusions that the time increments originally estimated were factually correct. Further, the district has been using the same computer system with related upgrades since FY 2000-01 for fee collections.

Attachment—1
District's Response to
Draft Audit Report



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Robert P. Deegan
Superintendent/President

March 28, 2013

Governing Board
Nancy C. Chadwick, M.S.W., M.P.A.
Mark R. Evisizer, M.A.
John J. Halcón, Ph.D.
Nancy Ann Hensch, B.A.
Paul P. McNamara, B.A.
Student Trustee:
ASG President

Jim L. Spano
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State Controller's Office
Division of Audits
P.O. Box 942850
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Ron Ballesteros-Perez
Assistant Superintendent/
Vice President
Finance & Administrative Services

Dear Mr. Spano:

Thank you for providing a copy of your draft audit report for the legislatively mandated Enrollment Fee Collection and Waivers Program for Palomar Community College District for the years July 1, 1998 through June 30, 2011. The District, however, takes considerable exception to your findings.

Our exceptions include:

The District is being heavily penalized by the fact that the State Controller's Office did not initiate the audit until more than five years passed following the initial filing period. Adding to that challenge was the fact the eligible period of reimbursement began in July 1998. This did not allow for any opportunity to do accurate, timely time studies of how long it took to process the enrollment fee waivers and collection for this initial filing period.

In addition to the above, the State Controller's Office has not taken into consideration the automation of such procedures in recent years which meant it took longer to process the data thirteen years ago. It is an incredible burden for the District to prove how long these processes took thirteen years ago. We do believe it would have been more feasible had the State Controller's Office performed a more timely audit of these claims. It's reasonable to ascertain that with the leaps in technology over the past decade, any fee waiver and collection processes would have been much more labor-intensive thirteen years ago; however, the State Controller's Office refuses to account for this fact in their time allowances.

Based on the draft audit findings, the State Controller's Office is claiming that it only cost the District \$1,032,063 in direct costs for thirteen years to collect enrollment fees. This calculates out to an average of just less than \$80,000 a year for salaries and benefits. For most of these years, this amount would barely allow for one full time employee to handle all the duties

required to prepare policies and procedures, train staff, reference student accounts, calculate the fees, answer questions, update records, collect delinquent fees and provide refunds for over 50,000 accounts a year. Also, there would have to be more than one employee in order to provide adequate coverage, so we do not see how the State Controller's Office considers this reasonable. Nor does the District understand how the State Controller's Office thinks only one person can handle this workload, especially when the process was much less automated in prior years.

Based on the draft audit findings, the State Controller's Office is claiming that it only cost the District \$661,303 in direct costs for thirteen years to provide enrollment fee waivers. This calculates out to just over \$50,000 a year for salaries and benefits to process enrollment fee waivers. This would provide funding for less than one full-time person. This part time person would have had to prepare policies and procedures, train staff, adopt procedures, record and maintain records, answer questions, receive the applications, evaluate the applications, ask for more information when the application was incomplete, approve the applications and listen to any BOGW appeals for an average of almost 11,000 applications a year. Again, the District does not understand how the State Controller's Office considers this reasonable.

In the responses to the District's attempt to explain how manual the process was and how slow the computer was in earlier years, the State Controller's Office appeared to refuse to accept anything but irrefutable proof that this was the case. Again, this is nearly impossible to prove thirteen years after the fact, but even in cases where the State Controller's Office accepted that our requests may be reasonable, they refused to modify their report. The District does not understand this conclusion.

With that in mind, the District submits the following as responses to the Findings made in the audit of the legislatively mandated Enrollment Fee Collection and Waivers Program:

FINDING 1 – Enrollment Fee Collection: Preparing Policies and Procedures Cost Component – unallowable one-time costs

Since the costs associated with this finding are minimal, the District agrees with this finding and will ensure future claimed costs are based on actual cost that are properly supported.

FINDING 2 – Enrollment Fee Collection: Training Cost Component – unallowable one-time costs

Since the District did not have new enrollment fee collection personnel for FY 2010-2011, we agree with the disallowance of the costs for FY 2010-2011. The District will implement cost calculating procedures ensuring future claimed costs are based on actual cost that are properly supported.

FINDING 3 – Enrollment Fee Collection: Calculating and Collecting Enrollment Fee Cost Component – unallowable ongoing costs

To prepare our response to the time changes that were imposed on our claims for the various enrollment fee collection activities we interviewed personnel that were here in the years indicated, along with Information Services personnel that had knowledge about the speed of the software systems throughout the years. We also found forms and procedures from earlier years. Despite the fact the State Controller's Office Audit Staff (SCO) acknowledges the fact that procedures for collecting enrollment fees may have been more time consuming during the earlier years of the audit period (e-mail dated – Wednesday, February 27), at no point has the SCO indicated they have attempted to identify these increases in costs for the reimbursable activities in their audit of claims.

As far as the actual processes are concerned, please see our comments below.

Activity #1 – Referencing student accounts – This process was extremely more time-consuming than today as the system was considerably slower. Until the system upgrades were completed in FY 2009-2010, the process took much longer. In addition, prior to FY 2005-06 the information needed was not always readily available because the BOGG waivers were not automated yet. Information between departments was not shared before this automation. When a student came to the cashier's window and their account had not been updated for BOGG information, the student had to physically go to the financial aid office and then back to the cashier's window.

Therefore, the District stands by the original time claimed for this activity of 3.7 minutes and thinks this is accurate through FY 2005-2006. For FY 2006-2007 through FY 2009-2010, it's reasonable to identify the time as double what it takes today which would be 1.56 minutes. For 2010-11 the .78 minutes is acceptable. Lastly, the SCO has not displayed any time-calculations to capture these time variances that occurred for this activity over the 13-year period covering this audit.

Activity #2 – Calculating the fee – The cashiers had to manually calculate the enrollment fees from the class schedule from FY 1998-1999 through FY 2001-2002. For fiscal years 1998-99, 1999-2000 and 2000-01, the cashiers were required to manually split every payment received between enrollment fees and other fees, and then input the Enrollment Fee manually, one at a time. If not for the Enrollment Fee Collection requirement, this activity would not have been required by Cashiering staff. Through FY 2008-2009, the cashiers had to physically check and empty out drop boxes. This meant that the enrollment fee collection process was very manual through these years. Any time study done now would not reflect this. Again, the processing time in the system was significantly slower than it is today.

When the time estimates were first prepared in FY2005-2006, the cashiers were basing their estimates on how long it took them in year 2005-2006. The process was considerably more time-consuming during the period FY 1998-1999 through FY 2001-2002. Online registration did not occur until FY 2002-2003. Even then not many students took advantage of paying on line and continued to pay by check which meant a very manual process. During this time

frame the payments had to be processed by a departmental receipt and were individually processed instead of utilizing a batch process. Printing a receipt for students at the window is still done.

As was the case with Activity #1, the SCO has not displayed any time-calculations to capture these time variances that occurred for this activity over the 13-year period covering this audit. Instead, the SCO has relied on time surveys of current-day processes and extrapolated them for the entire 13-year audit period. With the above in mind, the District amends its originally claimed time amounts of 5.1 minutes through FY 2001-2002 to be reflective of this additional manual processing time. To calculate the fees manually and split out the payments would take an additional minute for a total of 6.1 minutes. From FY 2002-2003 through FY 2010-2011, the District stands by the time amounts originally claimed.

Activity #3 – Answering questions – Again through FY 2005-2006, very limited information was available online and information was not shared between departments. This significantly increased the amount of questions and time it took to answer student questions. From FY 2006-2007 through FY 2008-2009, although more information was available online, it was still much less so than today. Thus, students still needed their questions answered in-person, even though they could fill out their form online.

As was the case with Activities #1 and #2, the SCO has not displayed any time-calculations to capture these time variances over the 13-year period covering this audit. Instead, the SCO relied on time surveys of current-day processes and extrapolated them for the entire 13-year audit period. Therefore, the District stands behind its originally claimed time amount of 4.5 minutes through FY 2005-2006. From FY 2006-2007 through FY 2008-2009 the time amount should remain at 4.5 minutes, but then reduced to 1.0 minute for FY 2009-2010 and FY 2010-2011.

Activity #4 – Updating records – As discussed above, in years past this process was tediously manual and the system extremely slow. The staff would have to pull the information from files and re-file information manually, and even when the system was live it was incredibly slow. When the forms eventually went online the staff would still have to print out the form and file it manually. This process did not become fully automated until late in FY 2008-2009.

As was the case with the first three Activities in FINDING 3, the SCO has not displayed any time-calculations to capture these time variances over the 13-year period covering this audit due to technological improvements. Instead, the SCO relied on time surveys of current-day processes and extrapolated them for the entire 13-year audit period. Therefore the District stands by its originally claimed time of 3.0 minutes and this should be extended through FY 2008-2009. Beginning with FY 2009-2010, .91 minutes as identified by the SCO is acceptable.

Activity #5 – Collecting delinquent fees – The staff did not start utilizing COTOP as a collection process until FY 2005-06. Previously, bills were sent out to students. When a student came to the window who owed delinquent fees staff had to inform the student, collect

the fee and remove any holds on their account. The process was very manual and the system was incredibly slow. In estimating the time it took to handle this process, the staff was estimating at the high end of the time it would take to deal with the student instead of an average. Even when COTOP was being utilized, the system was incredibly slow and the payments received from COTOP had to be manually input into the student's account. There were a lot of issues with the system and all of these issues were not fully resolved until FY 2010-11.

Similar to Activities #1 through #4, the SCO has not identified any time-calculations used to represent these time variances that ultimately occurred over the 13-year period of this audit. Instead, the SCO relied on time surveys of current-day processes and extrapolated them for the entire 13-year audit period. Therefore, the District amends the time claimed to be 5.7 minutes for FY 1998-1999 through FY 2005-2006. We stand by the original time amount claimed of 5.7 minutes for FY 2006-2007 through FY 2009-2010. We accept the 1.08 minutes for FY 2010-2011.

Activity #6 – Providing Refunds – As there were no adjustments to our claim for this activity the District accepts the findings on this activity.

FINDING 4 – Enrollment Fee Waivers: Preparing Policies and Procedures Cost Component – unallowable one-time costs

The 8 hours of time claimed for Mary San Agustin should be allowed for preparing policies and procedures as she had indicated for FY 2010-2011. The cost allowable should be \$815.92.

FINDING 5 – Enrollment Fee Waiver: Staff training Cost Component – unallowable one-time costs

As there were no new employees in the Financial Aid area that required training in FY 2010-2011, we are in agreement with disallowing costs for that year.

FINDING 6 – Enrollment Fee Waivers: Adopting Procedures, Recording and Maintaining Records cost component – unallowable ongoing costs

The District is in agreement with the SCO increasing these allowable costs by \$1,130.

FINDING 7 – Enrollment Fee Waivers: Waiving Student Fees Cost Component – unallowable ongoing costs

To prepare our response to the time changes that were imposed on our claims for the various enrollment fee waiver activities we interviewed personnel that were here in the years indicated, along with Information Services personnel that had knowledge about the speed of the software systems throughout the years. We also found forms and procedures from earlier years. As previously described in Finding 3, despite the fact the State Controller's Office Audit Staff (SCO) acknowledges the procedures for waiving enrollment fees may have been more time

consuming during the earlier year of the audit period (e-mail dated – Wednesday, February 27), at no point has the SCO indicated they have attempted to identify these increases in costs for the reimbursable activities in their audit of claims. Our conversations with District staff, confirm this as they have not had any contact with SCO Audit Staff. As a result, the District believes the following information for Finding #7 to be accurate:

Activity #7 – Answering Student Questions – Prior to FY 2001-2002, all students were required to fill out a paper BOGW application. When questions arose, the staff had to physically pull the paper file out from a center cabinet in order to review the application. From FY 2002-2003 through FY 2005-2006, the staff would print out the online application and then file the paper copy to the center file. From FY 1998-1999 through FY 2005-2006, the application was printed in the class schedule and the student had to rip it out and bring it in with them. When questions arose staff still had to pull the file from the center cabinet. More time was spent up-front answering questions because there was no electronic means of communication; it was all done in-person with the students. The student had to come back in to check on their status in-person, which also meant more students ended up being in line. After FY 2005-2006, the District implemented online BOGW waiver applications in PeopleSoft. However, this was not a smooth process and the Systems Module Functional Specialist had to continually tweak the program, especially during FY 2004-2005 through FY 2008-2009. The bugs in the system cost processing delays and made answering questions even more difficult.

Prior to 2008, students were not required to fill out FAFSA when applying to college. Therefore, the staff spent a majority of the time explaining to students how to apply and who could qualify for BOGW waivers. Therefore, due to the intense manual time it took to answer questions before FY 2006-2007 the District stands by the original time claimed for this activity which was 4.3 minutes. For FY 2006-2007 and ongoing, as this process was more automated in nature, the 2.63 minutes is acceptable. As described above, the SCO does not offer a variance to match the changes in the District's process for allowable time performing this activity during the FY 1999-2000 through 2005-2006 of the Audit Period. Instead, a time-survey conducted in these last 15 months was used as the basis for allowable activity for the previous 13 years of claims.

Activity #8 – Receiving Enrollment Fee Waiver Applications – Prior to FY 2005-2006, the system was completely manual and the financial aid personnel would have to manually receive all applications, at the same time ensuring everything on the application was complete. These applications would also have to be filed and retrieved manually. From FY 2005-2006 through FY 2008-2009 there was an online system, but as stated above, that system was considerably slower than it currently is.

Therefore, due to the intense manual effort it took to receive all applications prior to FY 2006-2007 the District stands by the original time claimed for this activity which was 4.1 minutes. As described above, the survey for this time was taken while the District's process was still in place. As previously alluded to, the SCO does not offer a variance in the allowable time for this activity during the FY 1999-2000 through FY 2005-2006 of the Audit Period. For FY 2006-2007 onward, as this process was more automated in nature, the .67 minutes is acceptable.

Activity #9 – Evaluating waiver applications and verifying documentation – The same methods were employed here as above. Prior to FY 2005-2006 everything concerning an application was done manually, including verifying all applications and evaluating them. All documentation checking was a manual process as well because no information was shared electronically between departmental areas. This meant the following processes had to be done manually: checking all student IDs or social security information, verifying that the student was a California resident, analyzing and confirming the student's dependency status to ensure the proper status was indicated on the application, and looking at the appropriate tax returns.

Therefore, due to the intense manual effort it took to receive all applications prior to FY2006-07 (1999-2000 through FY 2005-2006) the District stands by the original time claimed for this activity which was 5.6 minutes. The time was determined to be representative during the period of the 2005-2006 fiscal year. The SCO has relied solely on the time surveyed in FY 2011-2012 to represent this same period of time. For FY 2006-07 and onward, as this process was more automated in nature, the 2.0 minutes is acceptable.

Activity #10 – Notifying students of additional required information, in the case of an incomplete application – The same methods were employed here as above. Prior to FY2005-06 students were contacted by phone or possibly e-mail. It was a highly manual process. After FY2005-06 contact was by e-mail and everything was in the system. If the student brought in more information, the file had to be pulled from the cabinet and processed manually if it was before FY2005-06. Any changes to applications between FY 2006-2007 and FY 2008-2009 had to be done by the staff because there was a system security issue that meant students could not change information themselves.

Therefore, due to the intense manual effort it took to receive all applications prior to FY 2006-2007 the District stands by the original time claimed for this activity which was 3.8 minutes. For FY 2006-2007 onward, as this process was more automated in nature, the .81 minutes is acceptable. As described in the previous Activities (#7, #8 and #9) under Finding 7, the District claimed time that was identified as accurate during the period the process was in place. As previously described, the SCO does not offer a variance in the allowable time for this activity during the FY 1999-2000 through FY 2005-2006 of the Audit Period.

Activity #11 – Copying all documentation and file the information for further review, in the case of an approved application – This was discussed at the exit conference and it is the District's understanding that the time approved for this activity will be 2.91 minutes for all years, to which we still agree.

Activity #12 – Appealing a denied BOGW fee waiver application – The District disagrees with the SCO that there is no formal appeal process for denied BOGW fee waiver applications. The appeals process is not very dissimilar to how it has always been. When a student appeals, they write out their reasoning for the appeal, the front counter staff prints out the screen (or when done manually, pulls the file), walks the information to Mary SanAgustin who looks at all the documents, enters her decision online (or on the form when it was done

manually) and gives it back to the staff person, who then contacts the student. The time study we have done today has shown it takes 3 minutes for the appeals process, and the District thinks this time should be applicable to all years.

FINDING 8 – Unallowable indirect cost

The District agrees with the rates in this finding.

FINDING 9 - Understated and Overstated Offsetting Reimbursements

The District does have some minor disagreements with the amounts as confirmed by the CCCCCO; however these amounts are not significant. The District would ask the SCO to reconfirm these amounts.

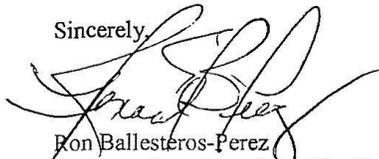
FINDING 10 – Misstated Productive Hourly Rates for Calculating and Collecting Enrollment Fees Cost Component

The District agrees with the productive hourly rates as shown in this finding.

In Finding 3 and Finding 7, the District and the State Controller's Office are in agreement that processes have changed for the District for many of the activities eligible for reimbursement. This is also the same for most, if not all of the Community College Districts in the State. The fact that the State Controller's Office acknowledges that a change in process has occurred and a likely and significant decrease in time per activity would result is very reasonable. Failing to account for that change in earlier years of Audit Period and failing to acknowledge those changes in the audit report constitutes an arbitrary decision made by the State Controller's Office Auditors. As a result, failing to account for that change in this audit and reducing the claims for the initial filing period constitutes a violation of Government Code section 11342.600 (Administrative Procedures Act – Underground Regulation).

The District respectfully requests reconsideration and inclusion of reasonable costs in those two findings (Finding 3 and Finding 7), before publishing the Audit Report.

Sincerely,



Ron Ballesteros-Perez
Assistant Superintendent, Vice President of Finance and Administrative Services

Attachment—2

SCO's Analysis of the District's Time Increments for Enrollment Fee Collections, Activities 1 through 4

Fiscal Year	Activities	Total Credit Students (A)	Students Less Waivers & Phone/ Online (B)	Total Time Increments (C)	Total Minutes Required (D) (A)×(C) or (B)×(C)	Total Hours Required	Total Staff Claimed (F)	Hours Per Staff (G) (E)÷(F)
1998-99	1 & 3	56,905		8.2	466,621.0	7,777.0		
	2 & 4		53,215	9.1	484,256.5	8,070.9		
						<u>15,848.0</u>	7	2,264.0
1999-2000	1 & 3	57,195		7.5	428,962.5	7,149.4		
	2 & 4		45,954	9.1	418,181.4	6,969.7		
						<u>14,119.1</u>	7	2,017.0
2000-01	1 & 3	59,929		8.2	491,417.8	8,190.3		
	2 & 4		46,294	9.1	421,275.4	7,021.3		
						<u>15,211.6</u>	7	2,173.1
2001-02	1 & 3	63,507		8.2	520,757.4	8,679.3		
	2 & 4		42,665	9.1	388,251.5	6,470.9		
						<u>15,150.1</u>	8	1,893.8
2002-03	1 & 3	63,489		7.2	457,120.8	7,618.7		
	2 & 4		31,743	9.1	288,861.3	4,814.4		
						<u>12,433.0</u>	8	1,554.1
2003-04	1 & 3	62,211		7.2	447,919.2	7,465.3		
	2 & 4		23,569	9.1	214,477.9	3,574.6		
						<u>11,040.0</u>	8	1,380.0
2004-05	1 & 3	58,588		7.2	421,833.6	7,030.6		
	2 & 4		17,539	9.1	159,604.9	2,660.1		
						<u>9,690.6</u>	8	1,211.3
2005-06	1 & 3	59,189		7.2	426,160.8	7,102.7		
	2 & 4		21,208	9.1	192,992.8	3,216.5		
						<u>10,319.2</u>	13	793.8
2006-07	1 & 3	61,135		6.06	370,478.1	6,174.6		
	2 & 4		22,657	6.80	154,067.6	2,567.8		
						<u>8,742.4</u>	10	874.2

Attachment—2 (continued)

Fiscal Year	Activities	Total Credit Students (A)	Students Less Waivers & Phone/ Online (B)	Total Time Increments (C)	Total Minutes Required (D) (A)×(C) or (B)×(C)	Total Hours Required	Total Staff Claimed (F)	Hours Per Staff (G) (E)÷(F)
2007-08	1 & 3	66,438		6.06	402,614.3	6,710.2		
	2 & 4		16,934	6.80	115,151.2	1,919.2		
						<u>8,629.4</u>	9	958.8
2008-09	1 & 3	66,485		6.06	402,899.1	6,715.0		
	2 & 4		16,768	6.80	114,022.4	1,900.4		
						<u>8,615.4</u>	9	957.3
2009-10	1 & 3	67,342		6.06	408,092.5	6,801.5		
	2 & 4		13,595	4.71	64,032.5	1,067.2		
						<u>7,868.7</u>	9	874.3
2010-11	4-Jan	65,206		3.25	211,919.5	3,532.0	various	

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

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

SANTA MONICA COMMUNITY COLLEGE DISTRICT

Revised Audit Report

ENROLLMENT FEE COLLECTION AND WAIVERS PROGRAM

Education Code Section 76300 and California Code of Regulations,
Title 5, sections 58501-58503, 58611-58613, 58620, and 58630

July 1, 1998, through June 30, 2006



JOHN CHIANG
California State Controller

October 2012



JOHN CHIANG
California State Controller

October 4, 2012

Margaret Quiñones-Perez, Ed.D., Chair
Board of Trustees
Santa Monica Community College District
1900 Pico Boulevard
Santa Monica, CA 90405

Dear Dr. Quiñones-Perez:

The State Controller's Office audited the costs claimed by Santa Monica Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and California Code of Regulations, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2006.

This revised final report supersedes our previous reports dated April 29, 2011, and September 7, 2012. We revised the penalty for filing a late claim for fiscal year (FY) 1998-99 through FY 2004-05 from 10% of claimed costs to 10% of allowable costs. We also corrected a mathematical error in the first revised report. As a result, the total penalty decreased by \$350,797, from \$894,506 to \$543,709.

The district claimed \$9,323,151 (\$10,226,657 less \$903,506 in late filing penalty) for the mandated program. Our audit disclosed that \$5,891,148 is allowable (\$6,434,857 less \$543,709 in late filing penalty) and \$3,432,003 is unallowable. The costs are unallowable primarily because the district claimed ineligible and unsupported salaries and benefits, overstated indirect costs, and understated offsetting savings/reimbursements. The State made no payment to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$5,891,148, contingent upon available appropriations.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at www.csm.ca.gov/docs/IRCForm.pdf.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD

Chief, Division of Audits

JVB/bf

cc: Chui L. Tsang, Ph.D., Superintendent/President
Santa Monica Community College District
Randall Lawson, Vice President, Administrative Services
Santa Monica Community College District
Christopher Bonvenuto, Director, Fiscal Services
Santa Monica Community College District
Christine Atalig, Auditor
Fiscal Services Unit
California Community Colleges Chancellor's Office
Thomas Todd, Assistant Program Budget Manager
Education Systems Unit
Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

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Revised Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Santa Monica Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and California Code of Regulations, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2008.

The district claimed \$9,323,151 (\$10,226,657 less \$903,506 in late filing penalty) for the mandated program. Our audit disclosed that \$5,891,148 is allowable (\$6,434,857 less \$543,709 in late filing penalty) and \$3,432,003 is unallowable. The costs are unallowable primarily because the district claimed ineligible and unsupported salaries and benefits, overstated indirect costs, and understated offsetting savings/reimbursements. The State made no payment to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$5,891,148, contingent upon available appropriations.

Background

Education Code section 76300 and *California Code of Regulations*, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630 require community college districts to perform specific activities related to collecting enrollment fees and granting fee waivers, Board of Governor's (BOG) Grants, and financial assistance to students.

The sections were added and/or amended by:

- Chapter 1, Statutes of 1984
- Chapters 274 and 1401, Statutes of 1984
- Chapters 920 and 1454, Statutes of 1985
- Chapters 46 and 395, Statutes of 1986
- Chapter 1118, Statutes of 1987
- Chapter 136, Statutes of 1989
- Chapter 114, Statutes of 1991
- Chapter 703, Statutes of 1992
- Chapters 8, 66, 67, and 1124, Statutes of 1993
- Chapters 153 and 422, Statutes of 1994
- Chapter 308, Statutes of 1995
- Chapter 63, Statutes of 1996
- Chapter 72, Statutes of 1999

On April 24, 2003, the Commission on State Mandates (CSM) adopted the statement of decision for the Enrollment Fee Collection and Waivers Program. The CSM found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on community college districts within the meaning of Article XIII B, section 6 of the California Constitution and Government Code section 17514.

The CSM found that the following activities are reimbursable:

- Calculating and collecting the student enrollment fee for each student enrolled, except for nonresidents and special part-time students cited in section 76300, subdivision (f).
- Waiving student fees in accordance with the groups listed in Education Code section 76300, subdivisions (g) and (h).
- Waiving fees for students who apply for and are eligible for BOG fee waivers.
- Adopting procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 26, 2006. In compliance with Government Code section 17558, SCO issues claiming instructions to assist local agencies and 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 Enrollment Fee Collection and Waivers Program for the period of July 1, 1998, through June 30, 2006.

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

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. Except for the issue noted below, we conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We 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.

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, Santa Monica Community College District claimed \$9,323,151 (\$10,226,657 less \$903,506 in late filing penalty) for costs of the Enrollment Fee Collection and Waivers Program. Our audit disclosed that \$5,891,148 is allowable (\$6,434,857 less \$543,709 in late filing penalty) and \$3,432,003 is unallowable.

The State made no payment to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$5,891,148, contingent upon available appropriations.

**Views of
Responsible
Officials**

We e-mailed the draft report to Christopher Bonvenuto, Director of Fiscal Services, on April 27, 2011. Robert G. Isomoto, Vice President/Administration, responded by letter the same day, indicating that at that time, the district did not have a response to the audit findings presented.

We issued a final audit report on April 29, 2011. Subsequently, we revised the penalty for filing a late claim for FY 1998-99 through FY 2004-05 from 10% of claimed costs to 10% of allowable costs. We advised Mr. Bonvenuto of the revision on August 17, 2012, and issued the revised report on September 7, 2012. This report corrects a mathematical error in the first revised report. As a result, the total penalty decreased by \$350,797, from \$894,506 to \$543,709.

Restricted Use

This report is solely for the information and use of Santa Monica 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

October 4, 2012

**Revised Schedule 1—
Summary of Program Costs
July 1, 1998, through June 30, 2006**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 1998, through June 30, 1999</u>				
<i>Enrollment Fee Collection</i>				
Direct costs:				
Salaries and benefits	\$ 699,227	\$ 448,474	\$ (250,753)	Finding 1
Indirect costs	304,583	87,452	(217,131)	Finding 2
Total direct and indirect costs	1,003,810	535,926	(467,884)	
Less offsetting reimbursements:				
Enrollment fee collections	(34,240)	(89,121)	(54,881)	Finding 3
Total enrollment fee collection costs	<u>\$ 969,570</u>	<u>\$ 446,805</u>	<u>\$ (522,765)</u>	
<i>Enrollment Fee Waivers</i>				
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	
<i>Enrollment Fee Collection and Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 699,227	\$ 448,474	\$ (250,753)	Finding 1
Indirect costs	304,583	87,452	(217,131)	Finding 2
Total direct and indirect costs	1,003,810	535,926	(467,884)	
Less offsetting reimbursements:				
Enrollment fee collections	(34,240)	(89,121)	(54,881)	Finding 3
Subtotal	969,570	446,805	(522,765)	
Less late filing penalty ²	(96,957)	(44,681)	52,276	
Total program costs	<u>\$ 872,613</u>	402,124	<u>\$ (470,489)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 402,124</u>		
<u>July 1, 1999, through June 30, 2000</u>				
<i>Enrollment Fee Collection</i>				
Direct costs:				
Salaries and benefits	\$ 777,038	\$ 485,728	\$ (291,310)	Finding 1
Indirect costs	357,127	90,588	(266,539)	Finding 2
Total direct and indirect costs	1,134,165	576,316	(557,849)	
Less offsetting reimbursements:				
Enrollment fee collections	(37,495)	(61,914)	(24,419)	Finding 3
Total enrollment fee collection costs	<u>\$ 1,096,670</u>	<u>\$ 514,402</u>	<u>\$ (582,268)</u>	
<i>Enrollment Fee Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 277,505	\$ 270,118	\$ (7,387)	Finding 1
Indirect costs	127,541	50,377	(77,164)	Finding 2
Total direct and indirect costs	405,046	320,495	(84,551)	
Less offsetting reimbursements:				
Enrollment fee waivers	(126,883)	(146,120)	(19,237)	Finding 3
Total enrollment fee waiver costs	<u>\$ 278,163</u>	<u>\$ 174,375</u>	<u>\$ (103,788)</u>	

Revised Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
July 1, 1999, through June 30, 2000 (continued)				
<i>Enrollment Fee Collection and Waivers</i>				
Direct costs:				
Salaries and benefits	1,054,543	755,846	(298,697)	Finding 1
Indirect costs	484,668	140,965	(343,703)	Finding 2
Total direct and indirect costs	1,539,211	896,811	(642,400)	
Less offsetting reimbursements:				
Enrollment fee collections	(37,495)	(61,914)	(24,419)	Finding 3
Enrollment fee waivers	(126,883)	(146,120)	(19,237)	Finding 3
Subtotal	1,374,833	688,777	(686,056)	
Less late filing penalty ²	(137,483)	(68,878)	68,605	
Total program costs	<u>\$ 1,237,350</u>	619,899	<u>\$ (617,451)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 619,899</u>		
July 1, 2000, through June 30, 2001				
<i>Enrollment Fee Collection</i>				
Direct costs:				
Salaries and benefits	\$ 851,100	\$ 660,624	\$ (190,476)	Finding 1
Indirect costs	355,079	116,072	(239,007)	Finding 2
Total direct and indirect costs	1,206,179	776,696	(429,483)	
Less offsetting reimbursements:				
Enrollment fee collections	(33,261)	(91,580)	(58,319)	Finding 3
Total program costs	<u>\$ 1,172,918</u>	<u>\$ 685,116</u>	<u>\$ (487,802)</u>	
<i>Enrollment Fee Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 253,598	\$ 223,519	\$ (30,079)	Finding 1
Indirect costs	105,801	39,272	(66,529)	Finding 2
Total direct and indirect costs	359,399	262,791	(96,608)	
Less offsetting reimbursements:				
Enrollment fee waivers	(154,060)	(154,832)	(772)	Finding 3
Total program costs	<u>\$ 205,339</u>	<u>\$ 107,959</u>	<u>\$ (97,380)</u>	
<i>Enrollment Fee Collection and Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 1,104,698	\$ 884,143	\$ (220,555)	Finding 1
Indirect costs	460,880	155,344	(305,536)	Finding 2
Total direct and indirect costs	1,565,578	1,039,487	(526,091)	
Less offsetting reimbursements:				
Enrollment fee collections	(33,261)	(91,580)	(58,319)	Finding 3
Enrollment fee waivers	(154,060)	(154,832)	(772)	Finding 3
Subtotal	1,378,257	793,075	(585,182)	
Less late filing penalty ²	(137,826)	(79,308)	58,518	
Total program costs	<u>\$ 1,240,431</u>	713,767	<u>\$ (526,664)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 713,767</u>		

Revised Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
July 1, 2001, through June 30, 2002				
<i>Enrollment Fee Collection</i>				
Direct costs:				
Salaries and benefits	\$ 885,737	\$ 701,396	\$ (184,341)	Finding 1
Indirect costs	372,630	133,125	(239,505)	Finding 2
Total direct and indirect costs	1,258,367	834,521	(423,846)	
Less offsetting reimbursements:				
Enrollment fee collections	(27,232)	(95,484)	(68,252)	Finding 3
Total enrollment fee collection costs	<u>\$ 1,231,135</u>	<u>\$ 739,037</u>	<u>\$ (492,098)</u>	
<i>Enrollment Fee Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 248,810	\$ 212,885	\$ (35,925)	Finding 1
Indirect costs	104,674	40,406	(64,268)	Finding 2
Total direct and indirect costs	353,484	253,291	(100,193)	
Less offsetting reimbursements:				
Enrollment fee waivers	(162,616)	(153,007)	9,609	Finding 3
Total enrollment fee waiver costs	<u>\$ 190,868</u>	<u>\$ 100,284</u>	<u>\$ (90,584)</u>	
<i>Enrollment Fee Collection and Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 1,134,547	\$ 914,281	\$ (220,266)	Finding 1
Indirect costs	477,304	173,531	(303,773)	Finding 2
Total direct and indirect costs	1,611,851	1,087,812	(524,039)	
Less offsetting reimbursements:				
Enrollment fee collections	(27,232)	(95,484)	(68,252)	Finding 3
Enrollment fee waivers	(162,616)	(153,007)	9,609	Finding 3
Total program costs	1,422,003	839,321	\$ (582,682)	
Less late filing penalty ²	(142,200)	(83,932)	58,268	
Total program costs	<u>\$ 1,279,803</u>	<u>755,389</u>	<u>\$ (524,414)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 755,389</u>		
July 1, 2002, through June 30, 2003				
<i>Enrollment Fee Collection</i>				
Direct costs:				
Salaries and benefits	\$ 869,573	\$ 632,458	\$ (237,115)	Finding 1
Indirect costs	346,264	115,487	(230,777)	Finding 2
Total direct and indirect costs	1,215,837	747,945	(467,892)	
Less offsetting reimbursements:				
Enrollment fee collections	(29,094)	(94,594)	(65,500)	Finding 3
Total enrollment fee collection costs	<u>\$ 1,186,743</u>	<u>\$ 653,351</u>	<u>\$ (533,392)</u>	
<i>Enrollment Fee Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 256,776	\$ 353,138	\$ 96,362	Finding 1
Indirect costs	102,248	64,483	(37,765)	Finding 2
Total direct and indirect costs	359,024	417,621	(58,597)	
Less offsetting reimbursements:				
Enrollment fee waivers	(159,365)	(163,114)	(3,749)	Finding 3
Total enrollment fee waiver costs	<u>\$ 199,659</u>	<u>\$ 254,507</u>	<u>\$ (54,848)</u>	

Revised Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003 (continued)</u>				
<i>Enrollment Fee Collection and Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 1,126,349	\$ 985,596	\$ (140,753)	Finding 1
Indirect costs	448,512	179,970	(268,542)	Finding 2
Total direct and indirect costs	1,574,861	1,165,566	(409,295)	
Less offsetting reimbursements:				
Enrollment fee collections	(29,094)	(94,594)	(65,500)	Finding 3
Enrollment fee waivers	(159,365)	(163,114)	(3,749)	Finding 3
Subtotal	1,386,402	907,858	(478,544)	
Less late filing penalty ²	(138,640)	(90,786)	47,854	
Total program costs	<u>\$ 1,247,762</u>	817,072	<u>\$ (430,690)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 817,072</u>		
<u>July 1, 2003, through June 30, 2004</u>				
<i>Enrollment Fee Collection</i>				
Direct costs:				
Salaries and benefits	\$ 786,020	\$ 608,914	\$ (177,106)	Finding 1
Indirect costs	267,797	116,546	(151,251)	Finding 2
Total direct and indirect costs	1,053,817	725,460	(328,357)	
Less offsetting reimbursements:				
Enrollment fee collections	(54,837)	(128,206)	(73,369)	Finding 3
Total enrollment fee collection costs	<u>\$ 998,980</u>	<u>\$ 597,254</u>	<u>\$ (401,726)</u>	
<i>Enrollment Fee Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 274,931	\$ 369,143	\$ 94,212	Finding 1
Indirect costs	93,669	70,654	(23,015)	Finding 2
Total direct and indirect costs	368,600	439,797	71,197	
Less offsetting reimbursements:				
Enrollment fee waivers	(178,205)	(189,169)	(10,964)	Finding 3
Total enrollment fee waiver costs	<u>\$ 190,395</u>	<u>\$ 250,628</u>	<u>\$ 60,233</u>	
<i>Enrollment Fee Collection and Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 1,060,951	\$ 978,057	\$ (82,894)	Finding 1
Indirect costs	361,466	187,200	(174,266)	Finding 2
Total direct and indirect costs	1,422,417	1,165,257	(257,160)	
Less offsetting reimbursements:				
Enrollment fee collections	(54,837)	(128,206)	(73,369)	Finding 3
Enrollment fee waivers	(178,205)	(189,169)	(10,964)	Finding 3
Subtotal	1,189,375	847,882	(341,493)	
Less late filing penalty ²	(118,937)	(84,788)	34,149	
Total program costs	<u>\$ 1,070,438</u>	763,094	<u>\$ (307,344)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 763,094</u>		

Revised Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
July 1, 2004, through June 30, 2005				
<i>Enrollment Fee Collection</i>				
Direct costs:				
Salaries and benefits	\$ 838,984	\$ 603,763	\$ (235,221)	Finding 1
Indirect costs	309,669	193,868	(115,801)	Finding 2
Total direct and indirect costs	1,148,653	797,631	(351,022)	
Less offsetting reimbursements:				
Enrollment fee collections	(74,711)	(191,384)	(116,673)	Finding 3
Total enrollment fee collection costs	<u>\$ 1,073,942</u>	<u>606,247</u>	<u>\$ (467,695)</u>	
<i>Enrollment Fee Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 284,798	\$ 390,341	\$ 105,543	Finding 1
Indirect costs	105,119	125,338	20,219	Finding 2
Total direct and indirect costs	389,917	515,679	125,762	
Less offsetting reimbursements:				
Enrollment fee waivers	(249,227)	(218,571)	30,656	Finding 3
Total enrollment fee waiver costs	<u>\$ 140,690</u>	<u>297,108</u>	<u>\$ 156,418</u>	
<i>Enrollment Fee Collection and Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 1,123,782	\$ 994,104	\$ (129,678)	Finding 1
Indirect costs	414,788	319,206	(95,582)	Finding 2
Total direct and indirect costs	1,538,570	1,313,310	(225,260)	
Less offsetting reimbursements:				
Enrollment fee collections	(74,711)	(191,384)	(116,673)	Finding 3
Enrollment fee waivers	(249,227)	(218,571)	30,656	
Subtotal	1,214,632	903,355	\$ (311,277)	
Less late filing penalty ²	(121,463)	(90,336)	31,127	
Total program costs	<u>\$ 1,093,169</u>	<u>813,019</u>	<u>\$ (280,150)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 813,019</u>		
July 1, 2005, through June 30, 2006				
<i>Enrollment Fee Collection</i>				
Direct costs:				
Salaries and benefits	\$ 915,955	\$ 654,741	\$ (261,214)	Finding 1
Indirect costs	313,715	218,880	(94,835)	Finding 2
Total direct and indirect costs	1,229,670	873,621	(356,049)	
Less offsetting reimbursements:				
Enrollment fee collections	(71,016)	(193,897)	(122,881)	Finding 3
Total enrollment fee collection costs	<u>\$ 1,158,654</u>	<u>679,724</u>	<u>\$ (478,930)</u>	
<i>Enrollment Fee Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 290,530	\$ 395,961	\$ 105,431	Finding 1
Indirect costs	99,507	132,370	32,863	Finding 2
Total direct and indirect costs	390,037	528,331	138,294	
Less offsetting reimbursements:				
Enrollment fee waivers	(257,106)	(200,271)	56,835	Finding 3
Total enrollment fee waiver costs	<u>\$ 132,931</u>	<u>\$ 328,060</u>	<u>\$ 195,129</u>	

Revised Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2005, through June 30, 2006 (continued)</u>				
<i>Enrollment Fee Collection and Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 1,206,485	\$ 1,050,702	\$ (155,783)	Finding 1
Indirect costs	413,222	351,250	(61,972)	Finding 2
Total direct and indirect costs	1,619,707	1,401,952	(217,755)	
Less offsetting reimbursements:				
Enrollment fee collections	(71,016)	(193,897)	(122,881)	Finding 3
Enrollment fee waivers	(257,106)	(200,271)	56,835	
Subtotal	1,291,585	1,007,784	\$ (283,801)	
Less late filing penalty ³	(10,000)	(1,000)	9,000	
Total program costs	<u>\$ 1,281,585</u>	1,006,784	<u>\$ (274,801)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,006,784</u>		
<u>Summary: July 1, 1998, through June 30, 2006</u>				
<i>Enrollment Fee Collection</i>				
Direct costs:				
Salaries and benefits	\$ 6,623,634	\$ 4,796,098	\$ (1,827,536)	
Indirect costs	2,626,864	1,072,018	(1,554,846)	
Total direct and indirect costs	9,250,498	5,868,116	(3,382,382)	
Less offsetting reimbursements:				
Enrollment fee collections	(361,886)	(946,180)	(584,294)	
Total enrollment fee collection costs	<u>\$ 8,888,612</u>	<u>\$ 4,921,936</u>	<u>\$ (3,966,676)</u>	
<i>Enrollment Fee Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 1,886,948	\$ 2,215,105	\$ 328,157	
Indirect costs	738,559	522,900	(215,659)	
Total direct and indirect costs	2,625,507	2,738,005	112,498	
Less offsetting reimbursements:				
Enrollment fee waivers	(1,287,462)	(1,225,084)	62,378	
Total enrollment fee waiver costs	<u>\$ 1,338,045</u>	<u>\$ 1,512,921</u>	<u>\$ 174,876</u>	
<i>Enrollment Fee Collection and Waivers</i>				
Direct costs:				
Salaries and benefits	\$ 8,510,582	\$ 7,011,203	\$ (1,499,379)	
Indirect costs	3,365,423	1,594,918	(1,770,505)	
Total direct and indirect costs	11,876,005	8,606,121	(3,269,884)	
Less offsetting reimbursements:				
Enrollment fee collections	(361,886)	(946,180)	(584,294)	
Enrollment fee waivers	(1,287,462)	(1,225,084)	62,378	
Subtotal	10,226,657	6,434,857	\$ (3,791,800)	
Less late filing penalty	(903,506)	(543,709)	359,797	
Total program costs	<u>\$ 9,323,151</u>	5,891,148	<u>\$ (3,432,003)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 5,891,148</u>		

Revised Schedule 1 (continued)

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¹ See the Findings and Recommendations section.

² Government Code section 17561, subdivision (d)(3), allows claimants to file an initial reimbursement claim within one year after the initial filing deadline, subject to a 10% penalty on allowable costs for filing a late claim. Initial reimbursement claims filed after September 30, 2002, were not subject to a maximum penalty. The SCO assesses the penalty on allowable costs that exceed the amount claimed by the initial filing deadline. FY 1998-99, through FY 2004-05 claims were initial reimbursement claims filed after the initial filing deadline and after September 30, 2002.

³ Government Code section 17568 limited the 10% penalty for filing a late annual reimbursement claim prior to August 24, 2007, to a maximum of \$1,000. The district filed its FY 2005-06 annual reimbursement claim on June 28, 2007.

Findings and Recommendations

FINDING 1— Overstated salaries and benefits

The district claimed \$8,510,582 in salaries and benefits for the audit period. We determined that \$1,499,379 is unallowable as follows:

	Enrollment Fee Collection Costs	Enrollment Fee Waiver Costs	Audit Adjustment
One-time activities:			
Preparing district policies and procedures	\$ (391,467)	\$ (147,614)	\$ (539,081)
Staff training—once per employee	(13,501)	(37,503)	(51,004)
Ongoing activities:			
Adopting procedures, recording, and maintaining records	—	(53,070)	(53,070)
Errors in application of time allowances	(1,422,568)	566,344	(856,224)
Total	<u>\$ (1,827,536)</u>	<u>\$ 328,157</u>	<u>\$(1,499,379)</u>

The district claimed costs for the one-time activities and ongoing activities of adopting procedures, recording, and maintaining records based on annual consultant's forms that estimated the annual time spent by employees for the eight years in the audit period. The forms were completed by the employees between April 25, 2006, and May 4, 2006.

Unallowable One-Time Activities

For the one-time activity of preparing district policies and procedures, the district claimed \$429,663 for fee collection costs and \$174,106 for fee waiver costs. We allowed costs in the first fiscal year (FY) claimed totaling \$38,196 (FY 1998-99) for fee collection costs, and \$26,492 for FY 1999-2000 in fee waiver costs. We did not allow time spent by admissions and records staff totaling \$13,426 in FY 1998-99 for fee collection costs or \$27 in FY 1999-2000 for fee waiver costs. District staff indicated that these employees were not involved in this reimbursable activity. For the remaining years (FY 1999-2000 through FY 2005-06 for enrollment fee collection costs, and FY 2000-01 through FY 2005-06 for enrollment fee waiver costs), the district did not provide documentation that the costs related to preparing district policies and procedures.

For the one-time activity of staff training (once per employee), the district claimed \$15,288 for fee collection costs and \$40,683 for fee waiver costs. We allowed costs in the first year employees were claimed, totaling \$1,787 for fee collection costs and \$3,180 for fee waiver costs. The district did not provide documentation related to the nature of the training or whether any of the remaining costs related to trainers' time.

The following table summarizes the ineligible salaries and benefits for one-time activities related to fee collection costs:

<u>Fiscal Year</u>	<u>Enrollment Fee Collection Costs</u>		
	<u>Preparing District Policies and Procedures</u>	<u>Staff Training</u>	<u>Audit Adjustment</u>
1998-99	\$ (13,426)	\$ (1,044)	\$ (14,470)
1999-2000	(56,323)	(1,319)	(57,642)
2000-01	(55,331)	(1,478)	(56,809)
2001-02	(73,014)	(1,575)	(74,589)
2002-03	(47,105)	(1,407)	(48,512)
2003-04	(45,246)	(1,667)	(46,913)
2004-05	(53,449)	(2,064)	(55,513)
2005-06	(47,573)	(2,947)	(50,520)
Total	<u>\$ (391,467)</u>	<u>\$ (13,501)</u>	<u>\$ (404,968)</u>

The following table summarizes the ineligible salaries and benefits for one-time activities related to fee waiver costs:

<u>Fiscal Year</u>	<u>Enrollment Fee Waiver Costs</u>		
	<u>Preparing District Policies and Procedures</u>	<u>Staff Training (Once Per Employee)</u>	<u>Audit Adjustment</u>
1999-2000	\$ (27)	\$ (2,925)	\$ (2,952)
2000-01	(17,834)	(4,881)	(22,715)
2001-02	(23,830)	(5,147)	(28,977)
2002-03	(18,625)	(4,448)	(23,073)
2003-04	(18,207)	(4,448)	(22,655)
2004-05	(28,028)	(7,029)	(35,057)
2005-06	(41,063)	(8,625)	(49,688)
Total	<u>\$ (147,614)</u>	<u>\$ (37,503)</u>	<u>\$ (185,117)</u>

Unallowable Costs Related to Adopting Procedures, Recording, and Maintaining Records

The district claimed \$363,406 in costs related to adopting procedures, recording, and maintaining records related to enrollment fee waivers. We determined that \$53,070 claimed for time spent by admissions and records staff members for this activity was unallowable. District staff indicated that these employees were not involved in this reimbursable activity.

The following table summarizes the unallowable salaries and benefits related to adopting procedures, recording, and maintaining records related to enrollment fee waiver costs:

<u>Fiscal Year</u>	<u>Preparing District Policies and Procedures</u>
1999-2000	\$ (3,933)
2000-01	(7,037)
2001-02	(6,188)
2002-03	(6,333)
2003-04	(6,470)
2004-05	(9,421)
2005-06	(13,688)
Total	<u>\$ (53,070)</u>

Errors in Application of Time Allowances for Ongoing Activities

The district claimed salaries and benefits for 12 activities using time allowances developed from estimated time staff took to complete various activities. On survey forms developed by the district's mandate consultant, employees estimated, for each fiscal year, the average time in minutes it took them to perform the 12 activities per student per year. In applying the time allowances, the district did not report the correct number of students related to the various cost components. We recalculated reimbursable activities using the correct number of students and determined that the district overstated salaries and benefits by \$856,224—\$1,422,568 in overstated enrollment fee collection costs and \$566,344 in understated enrollment fee waiver costs.

Enrollment Fee Collection Costs

For enrollment fee collection costs, the district claimed costs related to: (1) referencing student accounts and printing a list of enrolled courses; (2) calculating the fees, processing the payment, and preparing a payment receipt; (3) answering student questions or referring them to the appropriate person for an answer; (4) updating student records for the enrollment fee information, providing a copy to the student, and copying/filing enrollment fee documentation; (5) collecting delinquent fees; and (6) processing fee refunds for students who establish fee waiver eligibility and updating student and district records as required. The district determined reimbursable costs by applying a multiplier to the time allowances it determined through a time study.

For activities (1) and (3), the district used total enrolled students as the multiplier. For activities (2) and (4), the district used the number of students paying the enrollment fee as the multiplier. The district determined the number of enrolled students based on information reported by the district in its Annual Fee Report (BFAP)—By Fee Type, run on June 25, 2009. The district did not deduct ineligible non-resident and special admit students (students who attend a community college while in high school, pursuant to Education Code section 76001).

We updated the district's calculation based on student enrollment information it reported to the California Community Colleges Chancellor's Office (CCCCO) for total enrollment less non-resident students. We also updated the district's calculation by deducting special admission students the district supported on its accounting records. Based on reimbursable student enrollment information, we determined that of the \$6,178,679 claimed, \$1,356,479 was overstated because of calculation errors for activities (1) through (4). The calculation errors occurred for the following reasons:

- For activities (1) and (3), the district claimed costs for student enrollment that did not agree with the enrollment numbers documented by the CCCCCO. The CCCCCO's management information system (MIS) identifies enrollment information based on student data that the district reported. The CCCCCO identifies the district's

enrollment based on the CCCCCO's MIS data element STD 7, codes A through G. The CCCCCO eliminates any duplicate students by term based on their Social Security numbers.

- For activities (2) and (4), the district claimed costs based on enrollment and Board of Governors Grant (BOGG) recipient numbers that did not agree with the numbers documented by the CCCCCO. We calculated the number of reimbursable students paying the fees by deducting Board of Governors Grant (BOGG) recipients from reimbursable student enrollments confirmed by the CCCCCO. The CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of 'B' or 'F'.
- For activity (5), the district claimed delinquent fee collection costs using a number for delinquent fees that did not agree with the district's Annual Fee Report. Based on an updated student count, the district overstated costs by \$70,158.
- For activity (6), the district claimed costs based on a total for students who received a refund that did not agree with the district's Annual Fee Report. Based on an updated student count, the district understated costs by \$4,069.

We recalculated reimbursable ongoing enrollment fee collection costs for activities (1) through (6) and determined that the district overstated allowable costs by \$1,422,568.

The following table summarizes the unallowable salaries and benefits for ongoing enrollment fee collection costs:

Fiscal Year	Allowable Salaries and Benefits	Claimed Salaries and Benefits	Audit Adjustment
1998-99	\$ 409,981	\$ 646,264	\$ (236,283)
1999-2000	485,641	719,309	(233,668)
2000-01	660,493	794,160	(133,667)
2001-02	701,396	811,148	(109,752)
2002-03	632,061	820,664	(188,603)
2003-04	608,377	738,570	(130,193)
2004-05	603,425	783,133	(179,708)
2005-06	654,741	865,435	(210,694)
Total	<u>\$ 4,756,115</u>	<u>\$ 6,178,683</u>	<u>\$ (1,422,568)</u>

Enrollment Fee Waiver Costs

For enrollment fee waiver costs, the district claimed costs related to: (7) answering student questions or referring them to the appropriate person for an answer; (8) receiving waiver applications; (9) evaluating waiver applications; (10) providing notice to a student that additional documents were needed; (11) inputting approved applications; and (12) reviewing and evaluating additional information and documentation for denied applications if appealed, and providing students written notifications of the appeal results or any change in eligibility status.

For activity (11), the district used the number of approved BOGG waiver recipients on the CCCCCO’s website. The website excludes MIS data elements with the first letter of ‘F’ and includes unduplicated recipients by school year rather than by term. We used the number of BOGG waiver recipient confirmed directly with the CCCCCO. The CCCCCO identifies the unduplicated number of BOGG waiver recipients by term based on MIS data element SF21 and all codes with the first letter of ‘B’ or ‘F’.

For activities (10) and (12), the district used the number of denied appeals. We did not adjust the numbers used by the district for these activities.

For activities (7) through (9), the district used the number of approved BOGG waiver recipients on the CCCCCO’s website plus the number of denied applications. We used the number of BOGG waiver recipients confirmed by the CCCCCO plus the number of denied applications reported by the district.

We recalculated reimbursable ongoing enrollment fee waiver costs for activities (7) through (9), and (11), and determined that the district understated allowable costs by \$566,344.

The following table summarizes the unallowable salaries and benefits for ongoing enrollment fee waiver costs:

<u>Fiscal Year</u>	<u>Allowable Salaries and Benefits</u>	<u>Claimed Salaries and Benefits</u>	<u>Audit Adjustment</u>
1999-2000	\$ 144,427	\$ 144,929	\$ (502)
2000-01	157,986	158,313	(327)
2001-02	176,871	177,631	(760)
2002-03	315,231	189,463	125,768
2003-04	324,828	201,491	123,337
2004-05	334,394	184,373	150,021
2005-06	332,706	163,899	168,807
Total	\$ 1,786,443	\$ 1,220,099	\$ 566,344

Education Code section 76300 authorizes community college districts to calculate and collect student enrollment fees and to waive student fees in certain instances. The statute directs districts to report the number of, and amounts provided for, BOGGs and to adopt procedures that will document all financial assistance provided on behalf of students.

The program’s parameters and guidelines (section IV–Reimbursable Activities) state “. . . actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question.”

The parameters and guidelines also state that salaries and benefits are reimbursable if claimants report each employee implementing the reimbursable activities by name, job classification, productive hourly rate, and provide a description of the specific reimbursable activities performed and the hours devoted to these activities.

The parameters and guidelines state that the preparation of policies and procedures is reimbursable as a one-time activity for collection of enrollment fees and for determining which students are eligible for waiver of the enrollment fees. The CSM Final Staff Analysis and Proposed Parameters and Guidelines dated January 13, 2006, for the one-time activity of adopting policies and procedures, states “. . . staff finds that updates to the policies and procedures would be subject to change in the community college district’s policy rather than state law, and would not be reimbursable.”

The parameters and guidelines also state that staff training is reimbursable as a one-time cost per employee for training district staff who implement the program based on the procedures for the collection of enrollment fees and for determining which students are eligible for waiver of the enrollment fee. Consistent with the Final Staff Analysis for policies and procedures, training for changes in the community college district's policy is not reimbursable.

Recommendation

We recommend that the district maintain records that document actual time spent on mandate-related activities. In addition, we recommend that the district maintain documentation that identifies the number of students excluded, as required by Education Code section 76300.

District’s Response

At the current time the District does not have a response to the audit that has been presented.

**FINDING 2—
Overstated indirect costs**

The district claimed \$1,770,505 in unallowable indirect costs for the audit period. The adjustment consists of \$1,554,846 related to fee collection and \$215,659 related to fee waivers.

The district prepared its Indirect Cost Rate Proposal (ICRP) using the SCO’s Form FAM-29C methodology. However, the district did not correctly compute the FAM-29C rate. It did not allocate direct and indirect costs as specified in the claiming instructions. In addition, the district used expenditures from the prior year’s CCSF-311 to prepare the current year’s indirect cost rates in each of the eight fiscal years.

The district indicated that it used the most current data available to prepare its ICRPs. However, state regulations require every college district to complete and file the financial statements on the California Community Colleges Annual Financial and Budget Report Expenditures Activity form (CCFS-311) on or before October 15, and to file the annual audit report on or before December 31 following the end of the fiscal year. The mandate cost claims for the audit period were filed June 15, 2007. Therefore, current data was available each year prior to when the district filed its mandate claims.

We calculated the allowable indirect cost rates for each fiscal year by using the current information contained in Form CCFS-311.

The following table summarizes the unallowable indirect cost rates:

<u>Fiscal Year</u>	<u>Allowable Indirect Cost Rate</u>	<u>Claimed Indirect Cost Rate</u>	<u>Overstated Rate</u>
1998-99	19.50%	43.56%	(24.06)%
1999-2000	18.65%	45.96%	(27.31)%
2000-01	17.57%	41.72%	(24.15)%
2001-02	18.98%	42.07%	(23.09)%
2002-03	18.26%	39.82%	(21.56)%
2003-04	19.14%	34.07%	(14.93)%
2004-05	32.11%	36.91%	(4.80)%
2005-06	33.43%	34.25%	(0.82)%

The following table summarizes the unallowable indirect costs for fee collection direct costs:

<u>Fiscal Year</u>	<u>Enrollment Fee Collection</u>				
	<u>Allowable Costs</u>	<u>Allowable Indirect Cost Rate</u>	<u>Allowable Indirect Costs</u>	<u>Claimed Indirect Costs</u>	<u>Audit Adjustment</u>
1998-99	\$ 448,474	19.50%	\$ 87,452	\$ 304,583	\$ (217,131)
1999-2000	485,728	18.65%	90,588	357,127	(266,539)
2000-01	660,624	17.57%	116,072	355,079	(239,007)
2001-02	701,396	18.98%	133,125	372,630	(239,505)
2002-03	632,458	18.26%	115,487	346,264	(230,777)
2003-04	608,914	19.14%	116,546	267,797	(151,251)
2004-05	603,763	32.11%	193,868	309,669	(115,801)
2005-06	654,741	33.43%	218,880	313,715	(94,835)
Total	\$ 4,796,098		\$ 1,072,018	\$ 2,626,864	\$(1,554,846)

The following table summarizes the unallowable indirect costs for fee waiver direct costs:

Fiscal Year	Enrollment Fee Waivers				
	Allowable Costs	Allowable Indirect Cost Rate	Allowable Indirect Costs	Claimed Indirect Costs	Audit Adjustment
1999-2000	\$ 270,118	18.65%	\$ 50,377	\$ 127,541	\$ (77,164)
2000-01	223,519	17.57%	39,272	105,801	(66,529)
2001-02	212,885	18.98%	40,406	104,674	(64,268)
2002-03	353,138	18.26%	64,483	102,248	(37,765)
2003-04	369,143	19.14%	70,654	93,669	(23,015)
2004-05	390,341	32.11%	125,338	105,119	20,219
2005-06	395,961	33.43%	132,370	99,507	32,863
Total	<u>\$ 2,215,105</u>		<u>\$ 522,900</u>	<u>\$ 738,559</u>	<u>\$ (215,659)</u>

The parameters and guidelines state, “Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, Cost Principles of Educational Institutions; (2) the rate calculated on State Controller’s Form FAM-29C; or (3) a 7% indirect cost rate.”

The district did not have a federally approved rate for the audit period.

Recommendation

We recommend that the district claim indirect costs based on an indirect cost rate allowed by the parameters and guidelines.

District’s Response

At the current time the District does not have a response to the audit that has been presented.

**FINDING 3—
Understated offsetting
savings/reimbursements**

The district understated offsetting savings/reimbursements by \$521,916 for the audit period, consisting of \$584,294 in understated fee collection costs and \$62,378 in overstated fee waiver costs. The misstatements occurred because the district did not accurately report the amount received for enrollment fee collection and the amount waived for enrollment fee waivers.

We calculated allowable offsetting savings/reimbursements for all years under audit using instructions contained in the parameters and guidelines. Our calculations were based on enrollment fee collection and BOGG fee waivers information provided by the CCCCCO.

The following table summarizes the understated fee collection and overstated fee waiver portion of offsetting savings/reimbursements:

Fiscal Year	Enrollment Fee Collection			Enrollment Fee Waivers		
	Claimed	Allowable	Audit Adjustment	Claimed	Allowable	Audit Adjustment
1998-99	\$ 34,240	\$ 89,121	\$ (54,881)	\$ —	\$ —	\$ —
1999-2000	37,495	61,914	(24,419)	126,883	146,120	(19,237)
2000-01	33,261	91,580	(58,319)	154,060	154,832	(772)
2001-02	27,232	95,484	(68,252)	162,616	153,007	9,609
2002-03	29,094	94,594	(65,500)	159,365	163,114	(3,749)
2003-04	54,837	128,206	(73,369)	178,205	189,169	(10,964)
2004-05	74,711	191,384	(116,673)	249,227	218,571	30,656
2005-06	71,016	193,897	(122,881)	257,106	200,271	56,835
Total	\$ 361,886	\$ 946,180	\$ (584,294)	\$1,287,462	\$1,225,084	\$ 62,378

The parameters and guidelines for the program require claimants to report the following offsetting savings/reimbursements:

- Enrollment Fee Collection Program funds: 2% of the revenue from enrollment fees pursuant to Education Code section 76000, subdivision (c); and
- Enrollment Fee Waiver Program funds: Allocation to community colleges by the Community College Board of Governors from funds in the annual budget act pursuant to Government Code section 76300, subdivisions (g) and (h) as follows:
 - For July 1, 1999, to July 4, 2000, 2% of the fees waived and 7% of the fees waivers.
 - Beginning July 5, 2000, 2% of the fees waived and \$0.91 per credit unit waived.

Furthermore, the parameters and guidelines state, “Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.”

Recommendation

We recommend that the district report all enrollment fee collection and waiver offsetting reimbursements on its mandated cost claims.

District's Response

At the current time the District does not have a response to the audit that has been presented.

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



April 27, 2011

Jim L. Spano, Chief
Mandated Cost Audits Bureau
Division of Audits
California State Controller's Office
P.O. Box 942850
Sacramento, CA 94250-5874

Dear Mr. Spano,

Thank you very much for you and your staff's professional demeanor and courtesy during this audit.

At the current time the District does not have a response to the audit that has been presented.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert G. Isomoto". The signature is written in a cursive style with a large, looping initial 'R'.

Robert G. Isomoto
Vice President, Business/Administration
Santa Monica College

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

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

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT

Audit Report

ENROLLMENT FEE COLLECTION AND WAIVERS PROGRAM

Education Code Section 76300 and
California Code of Regulations,
Title 5, Sections 58501-58503,
58611-58613, 58620, and 58630

July 1, 1998, through June 30, 2011



JOHN CHIANG
California State Controller

August 2013



JOHN CHIANG
California State Controller

August 6, 2013

Donna Miller, President
Board of Trustees
North Orange County Community College District
1830 West Romneya Drive
Anaheim, CA 92801

Dear Ms. Miller:

The State Controller's Office audited the costs claimed by the North Orange County Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and *California Code of Regulations*, Title 5, sections 58501-58503, 58611-58613, 58620, and 5863) for the period of July 1, 1998, through June 30, 2011.

The district claimed \$15,955,585 for the mandated program. Our audit found that the entire amount is unallowable, because the district claimed estimated costs that were not supported by source documentation, claimed ineligible time, claimed unallowable indirect costs, overstated student enrollment numbers, understated the number of BOGG fee waivers, misstated indirect cost rates, overstated employee productive hourly rates, and misstated offsetting reimbursements. The State paid the district \$605,832, 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 the CSM's website at www.csm.ca.gov/docs/IRCFORM.pdf.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

cc: Ned Doffoney, Ph.D., Chancellor
Chancellor's Office
North Orange County Community College District
Rodrigo Garcia, District Director
Fiscal Affairs
North Orange County Community College District
Kashu Vyas, District Manager
Fiscal Affairs
North Orange County Community College District
Christine Atalig, Specialist
College Finance and Facilities Planning
California Community Colleges Chancellor's Office
Mollie Quasebarth, Principal Program Budget Analyst
Education Systems Unit
California Department of Finance
Mario Rodriguez, Finance Budget Analyst
Education Systems Unit
California Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the North Orange County Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and *California Code of Regulations*, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 1998, through June 30, 2011.

The district claimed \$15,955,585 for the mandated program. Our audit found that the entire amount is unallowable, because the district claimed estimated costs that were not supported by source documentation, claimed ineligible time, claimed unallowable indirect costs, overstated student enrollment numbers, understated the number of BOGG fee waivers, misstated indirect cost rates, overstated employee productive hourly rates, and misstated offsetting reimbursements. The State paid the district \$605,832, which the State will offset from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

Background

Education Code section 76300 and Title 5, *California Code of Regulations*, sections 58501-58503, 58611-58613, 58620, and 58630 authorize community college districts to calculate and collect student enrollment fees and to waive student fees in certain instances. The codes also direct community college districts to report the number of, and amounts provided for Board of Governor Grants (BOGG) and to adopt procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5, *California Code of Regulations*.

The sections were added and/or amended by:

- Chapter 1, Statutes of 1984;
- Chapter 274 and 1401, Statutes of 1984;
- Chapter 920 and 1454, Statutes of 1985;
- Chapter 46 and 395, Statutes of 1986;
- Chapter 1118, Statutes of 1987;
- Chapter 136, Statutes of 1989;
- Chapter 114, Statutes of 1991;
- Chapter 703, Statutes of 1992;
- Chapter 8, 66, 67, and 1124, Statutes of 1993;
- Chapter 153 and 422, Statutes of 1994;
- Chapter 308, Statutes of 1995;
- Chapter 63, Statutes of 1996; and
- Chapter 72, Statutes of 1999.

On April 24, 2003, the Commission on State Mandates (CSM) adopted the Statement of Decision for the Enrollment Fee Collection and Waivers Program. The CSM found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on community college districts within the meaning of Article XIII B, Section 6 of the California Constitution and Government Code section 17514.

The CSM found that the following activities are reimbursable:

- Calculating and collecting the student enrollment fee for each student enrolled except for nonresidents, and except for special part-time students cited in section 76300, subdivision (f).
- Waiving student fees in accordance with the groups listed in Education Code section 76300, subdivisions (g) and (h).
- Waiving fees for students who apply for and are eligible for BOG fee waivers.
- Reporting to the Community Colleges Chancellor the number of and amounts provided for Board of Governors waivers.
- Adopting procedures that will document all financial assistance provided on behalf of students pursuant to Chapter 9 of Title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation which will enable an independent determination regarding accuracy of the district's certification of need for financial assistance.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 26, 2006. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and 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 Enrollment Fee Collection and Waivers Program for the period of July 1, 1998, through June 30, 2011.

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

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We 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.

Conclusion

Our audit found 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 North Orange County Community College District claimed \$15,955,585 for costs of the Enrollment Fee Collection and Waivers Program. Our audit found that the entire amount is unallowable.

For the FY 1998-99 claim, the State paid the district \$88,969. Our audit found that the costs claimed are unallowable. The State will offset \$88,969 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 1999-2000 through FY 2007-08 claims, the State made no payments to the district. Our audit found that the costs claimed are unallowable.

For the FY 2008-2009 claim, the State paid the district \$276,529. Our audit found that all costs claimed are unallowable. The State will offset \$276,529 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 2009-10 claim, the State paid the district \$240,334. Our audit found that all costs claimed are unallowable. The State will offset \$240,334 from other mandated program payments due the district. Alternatively, the district may remit this amount to the State.

For the FY 2010-11 claim, the State made no payment to the district. Our audit found that the costs claimed are unallowable.

Views of Responsible Official

We issued a draft audit report on July 12, 2013. Fred Williams, Vice Chancellor, Finance and Facilities, responded by letter dated July 23, 2013 (Attachment), disagreeing with the audit results for findings 1, 3, 4, and 6. This audit report includes the district's response.

Restricted Use

This report is solely for the information and use of the North Orange County 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, CPA
Chief, Division of Audits

August 6, 2013

Schedule 1— Summary of Program Costs July 1, 1998, through June 30, 2011

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 1998, through June 30, 1999</u>				
<i>Enrollment fee collection:</i>				
Direct costs-salaries and benefits:				
Calculating and collecting enrollment fees	\$ 600,735	\$ 44,672	\$ (556,063)	Finding 1
Total direct costs	600,735	44,672	(556,063)	
Indirect costs	228,279	14,310	(213,969)	Finding 4
Total direct and indirect costs	829,014	58,982	(770,032)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(42,803)	(104,798)	(61,995)	Finding 5
Adjustment for unused portion of offsets ²	—	45,816	45,816	Finding 5
Total program costs	<u>\$ 786,211</u>	—	<u>\$ (786,211)</u>	
Less amount paid by the State		(88,969)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (88,969)</u>		
<u>July 1, 1999, through June 30, 2000</u>				
<i>Enrollment fee collection:</i>				
Direct costs-salaries and benefits:				
Calculating and collecting enrollment fees	\$ 655,980	\$ 50,980	\$ (605,000)	Finding 1
Total direct costs	655,980	50,980	(605,000)	
Indirect costs	249,272	16,329	(232,943)	Finding 4
Total direct and indirect costs	905,252	67,309	(837,943)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(42,290)	(98,797)	(56,507)	Finding 5
Adjustment for unused portion of offsets ²	—	31,488	31,488	Finding 5
Total enrollment fee collection	<u>862,962</u>	—	<u>(862,962)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Staff training	251	251	—	
Adopt procedures, record and maintain records	—	529	529	Finding 2
Waiving student fees	120,363	5,025	(115,338)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	2,261	2,261	—	
Total direct costs	122,875	8,066	(114,809)	
Indirect costs	46,693	2,584	(44,109)	Finding 4
Total direct and indirect costs	169,568	10,650	(158,918)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(122,875)	(167,427)	(44,552)	Finding 5
Adjustment for unused portion of offsets ²	—	156,777	156,777	Finding 5
Total enrollment fee waivers	<u>46,693</u>	—	<u>(46,693)</u>	
Total program costs	<u>\$ 909,655</u>	—	<u>\$ (909,655)</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 ¹
<u>July 1, 2000, through June 30, 2001</u>				
<i>Enrollment fee collection:</i>				
Direct costs-salaries and benefits				
Calculating and collecting enrollment fees	\$ 770,019	\$ 54,328	\$ (715,691)	Finding 1
Total direct costs	770,019	54,328	(715,691)	
Indirect costs	292,607	17,393	(275,214)	Finding 4
Total direct and indirect costs	1,062,626	71,721	(990,905)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(45,177)	(101,151)	(55,974)	Finding 5
Adjustment for unused portion of offsets ²	—	29,430	29,430	Finding 5
Total enrollment fee collection	1,017,449	—	(1,017,449)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Staff training	253	253	—	
Adopt procedures, record and maintain records	—	573	573	Finding 2
Waiving student fees	150,225	5,715	(144,510)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	2,279	2,279	—	
Total direct costs	152,757	8,820	(143,937)	
Indirect costs	58,047	2,824	(55,223)	Finding 4
Total direct and indirect costs	210,804	11,644	(199,160)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(152,757)	(195,660)	(42,903)	Finding 5
Adjustment for unused portion of offsets ²	—	184,016	184,016	Finding 5
Total enrollment fee waivers	58,047	—	(58,047)	
Total program costs	<u>\$ 1,075,496</u>	—	<u>\$ (1,075,496)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2001, through June 30, 2002</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 156	\$ 156	\$ —	
Staff training	2,911	2,911	—	
Calculating and collecting enrollment fees	752,829	63,138	(689,691)	Finding 1
Total direct costs	755,896	66,205	(689,691)	
Indirect costs	287,240	21,188	(266,052)	Finding 4
Total direct and indirect costs	1,043,136	87,393	(955,743)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(37,750)	(101,363)	(63,613)	Finding 5
Adjustment for unused portion of offsets ²	—	13,970	13,970	Finding 5
Total enrollment fee collection	1,005,386	—	(1,005,386)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2001, through June 30, 2002 (continued)</u>				
<i>Enrollment fee waivers:</i>				
Direct costs-salaries and benefits				
Staff training	277	277	—	
Adopt procedures, record and maintain records	—	607	607	Finding 2
Waiving student fees	285,123	6,908	(278,215)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	2,497	2,497	—	
Total direct costs	287,897	10,289	(277,608)	
Indirect costs	109,402	3,293	(106,109)	Finding 4
Total direct and indirect costs	397,299	13,582	(383,717)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(224,630)	(188,560)	36,070	Finding 5
Adjustment for unused portion of offsets ²	—	174,978	174,978	Finding 5
Total enrollment fee waivers	172,669	—	(172,669)	
Total program costs	<u>\$ 1,178,055</u>	—	<u>\$ (1,178,055)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2002, through June 30, 2003</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 53	\$ 53	\$ —	
Staff training	2,968	2,968	—	
Calculating and collecting enrollment fees	731,882	63,408	(668,474)	Finding 1
Total direct costs	734,903	66,429	(668,474)	
Indirect costs	286,613	20,814	(265,799)	Finding 4
Total direct and indirect costs	1,021,516	87,243	(934,273)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(61,633)	(103,807)	(42,174)	Finding 5
Adjustment for unused portion of offsets ²	—	16,564	16,564	Finding 5
Total enrollment fee collection	959,883	—	(959,883)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Staff training	317	317	—	
Adopt procedures, record and maintain records	—	657	657	Finding 2
Waiving student fees	267,027	13,463	(253,564)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	2,853	2,853	—	
Total direct costs	270,197	17,290	(252,907)	
Indirect costs	105,375	5,417	(99,958)	Finding 4
Total direct and indirect costs	375,572	22,707	(352,865)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003 (continued)</u>				
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(239,124)	(233,423)	5,701	Finding 5
Adjustment for unused portion of offsets ²	—	210,716	210,716	Finding 5
Total enrollment fee waivers	<u>136,448</u>	<u>—</u>	<u>(136,448)</u>	
Total program costs	<u>\$ 1,096,331</u>	<u>—</u>	<u>\$ (1,096,331)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2003, through June 30, 2004</u>				
<i>Enrollment fee collection:</i>				
Direct costs-salaries and benefits				
Prepare policies and procedures	\$ 55	\$ 55	\$ —	
Staff training	3,051	3,051	—	
Calculating and collecting enrollment fees	677,052	52,638	(624,414)	Finding 1
Total direct costs	<u>680,158</u>	<u>55,744</u>	<u>(624,414)</u>	
Indirect costs	<u>265,261</u>	<u>15,790</u>	<u>(249,471)</u>	Finding 4
Total direct and indirect costs	<u>945,419</u>	<u>71,534</u>	<u>(873,885)</u>	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(66,553)	(146,275)	(79,722)	Finding 5
Adjustment for unused portion of offsets ²	—	74,741	74,741	Finding 5
Total enrollment fee collection	<u>878,866</u>	<u>—</u>	<u>(878,866)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Staff training	306	306	—	
Adopt procedures, record and maintain records	—	710	710	Finding 2
Waiving student fees	326,672	14,826	(311,846)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	2,758	2,758	—	
Total direct costs	<u>329,736</u>	<u>18,600</u>	<u>(311,136)</u>	
Indirect costs	<u>128,597</u>	<u>5,269</u>	<u>(123,328)</u>	Finding 4
Total direct and indirect costs	<u>458,333</u>	<u>23,869</u>	<u>(434,464)</u>	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(266,303)	(235,375)	30,928	Finding 5
Adjustment for unused portion of offsets ²	—	211,506	211,506	Finding 5
Total enrollment fee waivers	<u>192,030</u>	<u>—</u>	<u>(192,030)</u>	
Total program costs	<u>\$ 1,070,896</u>	<u>—</u>	<u>\$ (1,070,896)</u>	
Less amount paid by the State		<u>—</u>		
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 ¹
<u>July 1, 2004, through June 30, 2005</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 57	\$ 57	\$ —	
Staff training	3,186	3,186	—	
Calculating and collecting enrollment fees	<u>685,308</u>	<u>51,212</u>	<u>(634,096)</u>	Finding 1
Total direct costs	688,551	54,455	(634,096)	
Indirect costs	<u>268,535</u>	<u>15,344</u>	<u>(253,191)</u>	Finding 4
Total direct and indirect costs	957,086	69,799	(887,287)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(115,845)	(208,301)	(92,456)	Finding 5
Adjustment for unused portion of offsets ²	<u>—</u>	<u>138,502</u>	<u>138,502</u>	Finding 5
Total enrollment fee collection	<u>841,241</u>	<u>—</u>	<u>(841,241)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Staff training	333	333	—	
Adopt procedures, record and maintain records	—	739	739	Finding 2
Waiving student fees	331,117	18,250	(312,867)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	<u>2,997</u>	<u>2,997</u>	<u>—</u>	
Total direct costs	334,447	22,319	(312,128)	
Indirect costs	<u>130,435</u>	<u>6,289</u>	<u>(124,146)</u>	Finding 4
Total direct and indirect costs	464,882	28,608	(436,274)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(334,447)	(320,728)	13,719	Finding 5
Adjustment for unused portion of offsets ²	<u>—</u>	<u>292,120</u>	<u>292,120</u>	Finding 5
Total enrollment fee waivers	<u>130,435</u>	<u>—</u>	<u>(130,435)</u>	
Total program costs	<u>\$ 971,676</u>	<u>—</u>	<u>\$ (971,676)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2005, through June 30, 2006</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 67	\$ 67	\$ —	
Staff training	4,048	4,048	—	
Calculating and collecting enrollment fees	<u>826,195</u>	<u>62,854</u>	<u>(763,341)</u>	Finding 1
Total direct costs	830,310	66,969	(763,341)	
Indirect costs	<u>323,821</u>	<u>18,878</u>	<u>(304,943)</u>	Finding 4
Total direct and indirect costs	1,154,131	85,847	(1,068,284)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(118,851)	(211,464)	(92,613)	Finding 5
Adjustment for unused portion of offsets ²	<u>—</u>	<u>125,617</u>	<u>125,617</u>	Finding 5
Total enrollment fee collection	<u>1,035,280</u>	<u>—</u>	<u>(1,035,280)</u>	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2005, through June 30, 2006 (continued)</u>				
<i>Enrollment fee waivers:</i>				
Direct costs-salaries and benefits				
Staff training	380	380	—	
Adopt procedures, record and maintain records	—	748	748	Finding 2
Waiving student fees	466,102	23,385	(442,717)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	3,416	3,416	—	
Total direct costs	469,898	27,929	(441,969)	
Indirect costs	183,260	7,873	(175,387)	Finding 4
Total direct and indirect costs	653,158	35,802	(617,356)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(341,804)	(302,933)	38,871	Finding 5
Adjustment for unused portion of offsets ²	—	267,131	267,131	Finding 5
Total enrollment fee waivers	311,354	—	(311,354)	
Total program costs	<u>\$ 1,346,634</u>	—	<u>\$ (1,346,634)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2006, through June 30, 2007</u>				
<i>Enrollment fee collection:</i>				
Direct costs-salaries and benefits				
Prepare policies and procedures	\$ 72	\$ 72	\$ —	
Staff training	4,313	4,313	—	
Calculating and collecting enrollment fees	938,842	74,248	(864,594)	Finding 1
Total direct costs	943,227	78,633	(864,594)	
Indirect costs	278,251	23,197	(255,054)	Finding 4
Total direct and indirect costs	1,221,478	101,830	(1,119,648)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(133,267)	(196,898)	(63,631)	Finding 5
Adjustment for unused portion of offsets ²	—	95,068	95,068	Finding 5
Total enrollment fee collection	1,088,211	—	(1,088,211)	
<i>Enrollment fee waivers:</i>				
Direct costs-salaries and benefits				
Staff training	389	389	—	
Adopt procedures, record and maintain records	—	808	808	Finding 2
Waiving student fees	279,745	24,409	(255,336)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	3,497	3,497	—	
Total direct costs	283,631	29,103	(254,528)	
Indirect costs	83,672	8,585	(75,087)	Finding 4
Total direct and indirect costs	367,303	37,688	(329,615)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2006, through June 30, 2007 (continued)</u>				
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(283,631)	(331,893)	(48,262)	Finding 5
Adjustment for unused portion of offsets ²	—	294,205	294,205	Finding 5
Total enrollment fee waivers	<u>83,672</u>	<u>—</u>	<u>(83,672)</u>	
Total program costs	<u>\$ 1,171,883</u>	<u>—</u>	<u>\$ (1,171,883)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2007, through June 30, 2008</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Prepare policies and procedures	\$ 75	\$ 75	\$ —	
Staff training	4,526	4,526	—	
Calculating and collecting enrollment fees	1,366,670	87,311	(1,279,359)	Finding 1
Total direct costs	<u>1,371,271</u>	<u>91,912</u>	<u>(1,279,359)</u>	
Indirect costs	404,525	27,114	(377,411)	Finding 4
Total direct and indirect costs	<u>1,775,796</u>	<u>119,026</u>	<u>(1,656,770)</u>	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(102,049)	(179,722)	(77,673)	Finding 5
Adjustment for unused portion of offsets ²	—	60,696	60,696	Finding 5
Total enrollment fee collection	<u>1,673,747</u>	<u>—</u>	<u>(1,673,747)</u>	
<i>Enrollment fee waivers:</i>				
Direct costs-salaries and benefits				
Staff training	460	460	—	
Adopt procedures, record and maintain records	—	883	883	Finding 2
Waiving student fees	911,514	28,677	(882,837)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	4,139	4,139	—	
Total direct costs	<u>916,113</u>	<u>34,159</u>	<u>(881,954)</u>	
Indirect costs	270,254	10,077	(260,177)	Finding 4
Total direct and indirect costs	<u>1,186,367</u>	<u>44,236</u>	<u>(1,142,131)</u>	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(335,172)	(307,226)	27,946	Finding 5
Adjustment for unused portion of offsets ²	—	262,990	262,990	Finding 5
Total enrollment fee waivers	<u>851,195</u>	<u>—</u>	<u>(851,195)</u>	
Total program costs	<u>\$ 2,524,942</u>	<u>—</u>	<u>\$ (2,524,942)</u>	
Less amount paid by the State		<u>—</u>		
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 ¹
<u>July 1, 2008, through June 30, 2009</u>				
<i>Enrollment fee collection:</i>				
Direct costs-salaries and benefits				
Prepare policies and procedures	\$ 72	\$ 72	\$ —	
Staff training	4,302	4,302	—	
Calculating and collecting enrollment fees	991,435	88,864	(902,571)	Finding 1
Total direct costs	995,809	93,238	(902,571)	
Indirect costs	368,848	35,421	(333,427)	Finding 4
Total direct and indirect costs	1,364,657	128,659	(1,235,998)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(97,611)	(183,181)	(85,570)	Finding 5
Adjustment for unused portion of offsets ²	—	54,522	54,522	Finding 5
Total enrollment fee collection	1,267,046	—	(1,267,046)	
<i>Enrollment fee waivers:</i>				
Direct costs-salaries and benefits				
Staff training	468	468	—	
Adopt procedures, record and maintain records	—	824	824	Finding 2
Waiving student fees	578,134	28,125	(550,009)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	4,208	4,208	—	
Total direct costs	582,810	33,625	(549,185)	
Indirect costs	215,872	12,774	(203,098)	Finding 4
Total direct and indirect costs	798,682	46,399	(752,283)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(269,459)	(293,765)	(24,306)	Finding 5
Adjustment for unused portion of offsets ²	—	247,366	247,366	Finding 5
Total enrollment fee waivers	529,223	—	(529,223)	
Total program costs	<u>\$ 1,796,269</u>	—	<u>\$ (1,796,269)</u>	
Less amount paid by the State		(276,529)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (276,529)</u>		
<u>July 1, 2009, through June 30, 2010</u>				
<i>Enrollment fee collection:</i>				
Direct costs-salaries and benefits				
Calculating and collecting enrollment fees	\$ 830,259	\$ 86,050	\$ (744,209)	Finding 1
Total direct costs	830,259	86,050	(744,209)	
Indirect costs	324,465	33,112	(291,353)	Finding 4
Total direct and indirect costs	1,154,724	119,162	(1,035,562)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(107,861)	(213,415)	(105,554)	Finding 5
Adjustment for unused portion of offsets ²	—	94,253	94,253	Finding 5
Total enrollment fee collection	1,046,863	—	(1,046,863)	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2009, through June 30, 2010 (continued)</u>				
<i>Enrollment fee waivers:</i>				
Direct costs-salaries and benefits				
Adopt procedures, record and maintain records	—	663	663	Finding 2
Waiving student fees	211,032	31,120	(179,912)	Finding 3
Total direct costs	211,032	31,783	(179,249)	
Indirect costs	82,472	12,230	(70,242)	Finding 4
Total direct and indirect costs	293,504	44,013	(249,491)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(211,032)	(328,651)	(117,619)	Finding 5
Adjustment for unused portion of offsets ²	—	284,638	284,638	Finding 5
Total enrollment fee waivers	82,472	—	(82,472)	
Total program costs	<u>\$ 1,129,335</u>	—	<u>\$ (1,129,335)</u>	
Less amount paid by the State		(240,334)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (240,334)</u>		
<u>July 1, 2010, through June 30, 2011</u>				
<i>Enrollment fee collection:</i>				
Direct costs-salaries and benefits				
Prepare policies and procedures	\$ 955	\$ 955	\$ —	
Staff training	297	297	—	
Calculating and collecting enrollment fees	733,548	93,675	(639,873)	Finding 1
Total direct costs	734,800	94,927	(639,873)	
Indirect costs	297,447	39,518	(257,929)	Finding 4
Total direct and indirect costs	1,032,247	134,445	(897,802)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(181,239)	(181,239)	—	Finding 5
Adjustment for unused portion of offsets ²	—	46,794	46,794	Finding 5
Total enrollment fee collection	851,008	—	(851,008)	
<i>Enrollment fee waivers:</i>				
Direct costs-salaries and benefits				
Prepare policies and procedures	\$ 691	\$ 691	\$ —	
Staff training	297	297	—	
Adopt procedures, record and maintain records	18,125	850	(17,275)	Finding 2
Waiving student fees	358,936	36,725	(322,211)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	691	691	—	
Total direct costs	378,740	39,254	(339,486)	
Indirect costs	153,314	16,341	(136,973)	Finding 4
Total direct and indirect costs	532,054	55,595	(476,459)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(484,860)	(366,771)	118,089	Finding 5
Adjustment for unused portion of offsets ²	—	311,176	311,176	Finding 5
Total enrollment fee waivers	47,194	—	(47,194)	
Total program costs	<u>\$ 898,202</u>	—	<u>\$ (898,202)</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 ¹
<u>Summary: July 1, 1998, through June 30, 2011</u>				
<i>Enrollment fee collection:</i>				
Direct costs-salaries and benefits				
Prepare policies and procedures	\$ 1,562	\$ 1,562	\$ —	
Staff training	29,602	29,602	—	
Calculating and collecting enrollment fees	10,560,754	873,378	(9,687,376)	Finding 1
Total direct costs	10,591,918	904,542	(9,687,376)	
Indirect costs	3,875,164	298,408	(3,576,756)	Finding 4
Total direct and indirect costs	14,467,082	1,202,950	(13,264,132)	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(1,152,929)	(2,030,411)	(877,482)	Finding 5
Adjustment for unused portion of offsets ²	—	827,461	827,461	Finding 5
Total enrollment fee collection	13,314,153	—	(13,314,153)	
<i>Enrollment fee waivers:</i>				
Direct costs-salaries and benefits				
Prepare policies and procedures	691	691	—	
Staff training	3,731	3,731	—	
Adopt procedures, record and maintain records	18,125	8,591	(9,534)	Finding 2
Waiving student fees	4,285,990	236,628	(4,049,362)	Finding 3
Reporting BOGG fee waiver data to CCCCCO	31,596	31,596	—	
Total direct costs	4,340,133	281,237	(4,058,896)	
Indirect costs	1,567,393	93,556	(1,473,837)	Finding 4
Total direct and indirect costs	5,907,526	374,793	(5,532,733)	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(3,266,094)	(3,272,412)	(6,318)	Finding 5
Adjustment for unused portion of offsets ²	—	2,897,619	2,897,619	Finding 5
Total enrollment fee waivers	2,641,432	—	(2,641,432)	
Total program costs	<u>\$15,955,585</u>	—	<u>\$(15,955,585)</u>	
Less amount paid by the State		(605,832)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (605,832)</u>		

¹ See the Findings and Recommendations section.

² Offsetting savings and reimbursements are limited to total allowable direct and indirect costs and are calculated separately for enrollment fee collection and enrollment fee waivers.

Findings and Recommendations

**FINDING 1—
Enrollment Fee
Collection: Calculating
and Collecting
Enrollment Fees cost
component—unallowable
ongoing costs**

The district claimed \$10,560,754 in salaries and benefits for the Calculating and Collecting Enrollment Fees cost component during the audit period. We determined that \$873,378 is allowable and \$9,687,376 is unallowable. The costs are unallowable because the district estimated the amount of time required to perform the reimbursable activities. In addition, we noted variations in the number of students used in the district’s calculations based on the student enrollment data reported to us by the California Community College Chancellor’s Office (CCCCO) and the number of students who paid their enrollment fees online rather than in person, based on information provided to us by the district. We also made adjustments to the average productive hourly rates used in the district’s claims.

The following table summarizes the overstated ongoing costs related to calculating and collecting enrollment fees by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
1998-99	\$ 600,735	\$ 44,672	\$ (556,063)
1999-00	655,980	50,980	(605,000)
2000-01	770,018	54,328	(715,690)
2001-02	752,829	63,138	(689,691)
2002-03	731,883	63,408	(668,475)
2003-04	677,052	52,638	(624,414)
2004-05	685,308	51,212	(634,096)
2005-06	826,195	62,854	(763,341)
2006-07	938,842	74,248	(864,594)
2007-08	1,366,670	87,311	(1,279,359)
2008-09	991,435	88,864	(902,571)
2009-10	830,259	86,050	(744,209)
2010-11	733,548	93,675	(639,873)
Total, salaries and benefits	<u>\$ 10,560,754</u>	<u>\$ 873,378</u>	<u>\$ (9,687,376)</u>

The parameters and guidelines (section IV.A.2) allow ongoing activities related to costs for calculating and collecting the student enrollment fee for each student enrolled, with the exception of nonresidents and special part-time students cited in Government Code section 76300, subdivision(f), for the following six reimbursable activities:

- i. Referencing student accounts and records to determine course workload, status of payments, and eligibility for fee waiver. Printing a list of enrolled courses. (**Activity 1**)

- ii. Calculating the total enrollment fee to be collected. Identifying method of payment. Collecting cash and making change as necessary. Processing credit card and other non-cash payment transactions (however, any fees that may be charged to a community college district by a credit card company or bank are not reimbursable). Preparing a receipt for a payment received. **(Activity 2)**
- iii. Answering student's questions regarding enrollment fee collection or referring them to the appropriate person for an answer. **(Activity 3)**
- iv. Updating written and computer records for the enrollment fee information and providing a copy to the student. Copying and filing enrollment fee documentation. **(Activity 4)**
- v. Collecting delinquent enrollment fees, including written or telephonic collection notices to students, turning accounts over to collection agencies, or small claims court action. **(Activity 5)**
- vi. For students who establish fee waiver eligibility after the enrollment fee has been collected, providing a refund or enrollment fees paid and updating student and district records as required. (Refund process for change in program is not reimbursable). **(Activity 6)**

The program's parameters and guidelines (section IV–Reimbursable Activities) state “To be eligible for mandated cost reimbursement, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records, time logs, sign-in sheets, invoices, and receipts.”

Salaries and Benefits

For fiscal year (FY) 1998-99 through FY 2010-11, the district claimed salaries and benefits for the six reimbursable activities under the Calculating and Collecting Enrollment Fees cost component using time allowances developed from the estimated time it took staff to complete various activities through the use of employees' annual survey forms. Employees estimated the average time in minutes it took them to perform the six reimbursable activities per student per year on certification forms developed by the district's mandated cost consultant. The district did not provide any source documentation based on actual data to support the estimated time allowances.

The following table summarizes the minutes claimed for reimbursable activities 1 through 6:

Reimbursable Activity	Claimed						
	FY 1998 Through FY 2000-01	FY2001-02 Through FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
	1 Referencing Students Accounts	5.40	5.40	6.40	6.10	5.40	4.40	3.90
2 Calculating the Fee	5.20	5.20	5.00	5.90	5.10	5.00	4.00
3 Answering Questions	5.80	5.80	5.10	8.00	5.80	5.00	4.20
4 Updating Records	5.70	5.70	4.80	7.90	4.80	3.80	3.40
	22.10	22.10	21.30	27.90	21.10	18.20	15.50
5 Collecting Delinquent Fees	-	5.50	6.10	6.10	7.10	7.80	6.90
6 Providing Refunds	-	5.40	4.40	6.40	4.90	4.70	4.10
	-	10.90	10.50	12.50	12.00	12.50	11.00
	22.10	33.00	31.80	40.40	33.10	30.70	26.50

As the mandated activities took place at the district during the audit period, we assessed whether or not the time estimates cited by district staff for FY 1998-99 through FY 2010-11 were reasonable. We held discussions with various district representatives in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Admissions and Records Office and in the Bursar's Office that collects enrollment fees from students and documented the average time increments spent by district staff to perform these activities based on our observations.

In applying the time allowances, the district did not report the correct number of students related to the various reimbursable activities. We recalculated reimbursable activities using the correct number of students (multiplier). We also made adjustments to the average productive hourly rates that were used in the district's claims. Based on this information, we determined that the district overstated salaries and benefits by \$9,687,376 for the audit period.

Activities 1 through 4—Activity 1-Referencing student accounts, Activity 2-Calculating and collecting the fee, Activity 3-Answering students' questions, Activity 4-Updating student records

Time Increments

Using certification forms developed by the district's mandated cost consultant, district employees estimated the time required to perform the reimbursable activities. Based on these certifications, the district developed time allowances per student of 22.10 minutes for its FY 1998-99 through FY 2005-06 claims, 21.30 minutes for its FY 2006-07 claim, 27.90 minutes for its FY 2007-08 claim, 21.10 minutes for its FY 2008-09 claim, 18.20 minutes for its FY 2009-10 claim, and 15.50 minutes for its FY 2010-11 claim. Based on our observations, we determined that the time allowances claimed for these activities for these years were overstated.

We held discussions with various district representatives during the audit in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Admissions and Records Office and in the Bursar's Office performing the reimbursable activities as well as other non-mandated activities. Over several days, we observed 178 payment transactions processed by district staff. Of these, 78 involved the payment of enrollment fees encompassing Activities 1 through 4 totaling 214.78 minutes. The average time to perform all four activities was 2.76 minutes or 0.69 minutes per activity. The Office Supervisors were encouraged to watch over the auditors while our observations were being documented. We documented the average time increments spent by district staff to perform the reimbursable activities based on our observations. We reviewed the observations as they took place with the Office Supervisors. The district's mandated cost consultant and district management staff advised the Office Supervisors and the college campus staff not to comment on any of our analysis results, determinations, or observations. In addition, the district's District Director advised us not to discuss our audit results with management or any other campus staff.

Multiplier Calculation

For Activities 1 through 4, the district claimed costs by multiplying the number of students (multiplier) by a uniform time allowance and an annual average productive hourly rate. For Activities 1, 3 and 4, the district used the number of total enrolled students as the multiplier. In determining student enrollment, the district used the "Student Total Headcount" summary report obtained from the CCCC's website for FY 1998-99 through FY 2008-09. However, this report includes duplicated students by term. The district did not deduct ineligible non-resident and special admit students (students who attend a community college while in high school pursuant to Education Code section 76001). For Activity 2, the district used the number of total enrolled students less the number of BOGG fee waivers granted. For Activity 4, the district used the number of total enrolled students without excluding the number of BOGG fee waivers granted from FY 1998-99 through FY 2008-09. The district used the number of total enrolled students less the number of BOGG fee waivers granted as the multiplier only from FY 2009-10 to FY 2010-11.

We updated the district's calculations of eligible students for Activities 1 and 3 based on the number of students enrolled as reported to the CCCC, less non-resident students and special admit students. The CCCC's management information system (MIS) identifies enrollment information based on student data that the district reported. The CCCC identifies the district's enrollment based on CCCC's MIS data element STD 7, codes A through G. The CCCC eliminates any duplicate students by term based on their Social Security number.

We also updated the district's calculations of eligible students for Activities 2 and 4 by deducting the number of BOGG recipients from reimbursable student enrollment confirmed by the CCCC. The CCCC identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F. In addition, we added the number of refunds claimed for students who paid their enrollment fees and were subsequently granted a BOGG fee waiver and deducted students who paid their enrollment through the district's online system.

The district provided a breakdown of the enrollment fees paid using the district's online system and in person from FY 2002-03 through FY 2010-11. Based on the information provided by the district, we determined the percentage of enrollment fees paid in person at the Admissions and Records Office and in the Bursar's Office by dividing the fees paid in person by the total fees paid. We applied the percentage we calculated to the net enrollment number (the number of students enrolled less non-resident students, special admit students and BOGG fee waiver recipients) to determine the number of enrollment fees paid in person. We then included the number of refunds claimed for students who paid their enrollment fees and were subsequently granted a BOGG fee waiver.

The district did not provide a breakdown of the enrollment fees paid in person, online, or via phone for FY 1998-99 to 2000-01, as the data was unavailable prior to the implementation of the district's Banner software system in FY 2001-02. However, the district stated and we agreed that 75% was a reasonable percentage of fees that may have been paid in person during those years, as this was the percentage that the district was able to support for FY 2001-02. We applied this percentage to net enrollment numbers (the number of students enrolled less non-resident students, special admit students and BOGG fee waiver recipients) to determine the number of enrollment fees paid in person for FY 1998-99 through FY 2000-01.

Productive Hourly Rates

We also determined that the district overstated the average productive hourly rates used for Activity 1 through 6 in its claims for the audit period. The district's average productive hourly rates included staff that did not perform Activity 1 through 6 (staff employed in the Financial Aid Department) and excluded staff that did perform the reimbursable activities. We determined that the staff excluded was employees that did not receive a time survey form. In addition, the district did not weigh the average rates by employee classification. Instead, all employee classifications were weighted at the same level as if they performed the reimbursable activities to the same extent. As explained in Finding 6, we recalculated the average productive hourly rates based on employees actually involved in calculating and collecting enrollment fee activities and made minor changes to the claimed rates.

Activity 5—Collecting delinquent enrollment fees*Time Increments*

The district did not claim any costs for this activity in its claims for FY 1998-99 through FY 2000-01. Using certification forms developed by the district's mandated cost consultant, district employees estimated the time required to perform reimbursable Activity 5. Based on these certifications, the district developed time allowances per student account of 5.5 minutes for FY 2001-02 through FY 2005-06, 6.10 minutes per student account for FY 2006-07 and FY 2007-08, 7.10 minutes per student account for FY 2008-09, 7.80 minutes per student account for FY 2009-10, and 6.90 minutes per student account for FY 2010-11 to collect delinquent enrollment fees in the Admissions and Records Office and in the Bursar's Office.

The district collects some of the delinquent fees at the Admissions and Records Office and in the Bursar's Office. However, district representatives stated that the majority of students' delinquent fee payments are handled through a batch process if the delinquent enrollment fees are over a year old. Prior to FY 2009-10 the district sent two letters to students informing them of their delinquent enrollment fees. Beginning in FY 2010-11, the district began sending only one notice to students. After notifying students, the district sends any remaining delinquent accounts to the CCCCCO, which refers the accounts to the Franchise Tax Board for collection.

We did not observe this activity being performed during our observations at the Admissions and Records Office and in the Bursar's Office. However, based on the procedures in place and the information gathered during our discussions with district representatives, the time claimed appears reasonable.

Multiplier Calculation

For Activity 5, the district provided, and we accepted, the number of delinquent student accounts processed during the audit period.

Productive Hourly Rates

Consistent with the information presented for Activities 1 through 4, the district also overstated the annual average productive hourly rates in its claims for the audit period for Activity 5. As explained in Finding 6, we recalculated the annual average productive hourly rates based on employees actually involved in calculating and collecting enrollment fee activities and made minor changes to the claimed rates.

Activity 6—Providing a refund for students who establish fee waiver eligibility after the enrollment fee has been collected

Time Increments

The district did not claim any costs for this activity in its claims for FY 1998-99 through FY 2000-01. Using certification forms developed by the district's mandated cost consultant; district employees estimated the time required to perform reimbursable Activity 6 for years subsequent to FY 2001-02. Based on these certifications, the district developed time allowances per refund transaction of 5.4 minutes for FY 2001-02 through FY 2005-06, 4.4 minutes for FY 2006-07, 6.4 minutes for FY 2007-08, 4.9 minutes for FY 2008-09, 4.7 minutes for FY 2009-10, and 4.10 minutes for FY 2010-11.

To qualify for a refund, students must officially withdraw from a class by the refund deadlines established by the district. Refunds for enrollment fees paid are processed within three months after the semester begins. Cypress College does not process any refunds until after the first three weeks of the semester have passed. However, Fullerton College processes refunds on an ongoing basis for students who have paid their fees and then received a BOGG fee waiver during the first three weeks of the semester. Based on information provided by district staff, some refunds are processed faster than others. Each refund has to be analyzed before a refund check is sent to the student. Some accounts are verified quickly, while others may take longer depending on the fees already paid, dropped classes, and other fees due to the college. The process may also take longer when there are larger numbers of refunds to be processed at one time.

We did not observe this activity being performed during our observations at the Admissions and Records Office and in the Bursar's Office. Based on information obtained during our discussions with district staff, we determined that the time claimed for this component during the audit period appears reasonable.

Multiplier Calculation

For Activity 6, the district provided and we accepted the number of refunds processed for students who established fee waiver eligibility after paying their enrollment fees.

Productive Hourly Rates

Consistent with the information presented for Activities 1 through 4, the district also overstated the annual average productive hourly rates used in its claims for Activity 6 during the audit period. As explained in Finding 6, we recalculated the annual average productive hourly rates based on employees actually involved in calculating and collecting enrollment fee activities and made minor changes to the claimed rates.

Calculation of Time Increments Adjustment

The following table summarizes the minutes claimed and allowable for reimbursable Activities 1 through 6:

Reimbursable Activity	Claimed						
	FY 1998 Through FY 2000-01	FY 2001-02 Through FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
	1 Referencing Students Accounts	5.40	5.40	6.40	6.10	5.40	4.40	3.90
2 Calculating the Fee	5.20	5.20	5.00	5.90	5.10	5.00	4.00
3 Answering Questions	5.80	5.80	5.10	8.00	5.80	5.00	4.20
4 Updating Records	5.70	5.70	4.80	7.90	4.80	3.80	3.40
	<u>22.10</u>	<u>22.10</u>	<u>21.30</u>	<u>27.90</u>	<u>21.10</u>	<u>18.20</u>	<u>15.50</u>
5 Collecting Delinquent Fees	-	5.50	6.10	6.10	7.10	7.80	6.90
6 Providing Refunds	-	5.40	4.40	6.40	4.90	4.70	4.10
	<u>-</u>	<u>10.90</u>	<u>10.50</u>	<u>12.50</u>	<u>12.00</u>	<u>12.50</u>	<u>11.00</u>
Total Claimed - Activities 1-6	<u>22.10</u>	<u>33.00</u>	<u>31.80</u>	<u>40.40</u>	<u>33.10</u>	<u>30.70</u>	<u>26.50</u>

Reimbursable Activity	Allowable						
	FY 1998 Through FY 2000-01	FY 2001-02 Through FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
	1 Referencing Students Accounts	0.69	0.69	0.69	0.69	0.69	0.69
2 Calculating the Fee	0.69	0.69	0.69	0.69	0.69	0.69	0.69
3 Answering Questions	0.69	0.69	0.69	0.69	0.69	0.69	0.69
4 Updating Records	0.69	0.69	0.69	0.69	0.69	0.69	0.69
	<u>2.76</u>	<u>2.76</u>	<u>2.76</u>	<u>2.76</u>	<u>2.76</u>	<u>2.76</u>	<u>2.76</u>
5 Collecting Delinquent Fees	-	5.50	6.10	6.10	7.00	7.80	6.90
6 Providing Refunds	-	5.40	4.40	6.40	4.90	4.70	4.10
	<u>-</u>	<u>5.40</u>	<u>4.40</u>	<u>6.40</u>	<u>4.90</u>	<u>4.70</u>	<u>4.10</u>
Total Allowable - Activities 1-6	<u>2.76</u>	<u>13.66</u>	<u>13.26</u>	<u>15.26</u>	<u>14.66</u>	<u>15.26</u>	<u>13.76</u>
Audit adjustment - time increments	<u>(19.34)</u>	<u>(19.34)</u>	<u>(18.54)</u>	<u>(25.14)</u>	<u>(18.44)</u>	<u>(15.44)</u>	<u>(12.74)</u>

Calculation of Multiplier Adjustment

The following table summarizes the claimed, allowable, and adjustment amounts for the multiplier for each reimbursable activity that took place at the district during the audit period for reimbursable Activities 1 through 6:

Reimbursable Activity	Claimed Multiplier	Allowable Multiplier	Adjusted Multiplier
1	1,091,346	1,043,307	(48,039)
2	835,267	419,002	(416,265)
3	1,091,346	1,043,307	(48,039)
4	1,006,268	419,002	(587,266)
5	6,431	6,431	-
6	53,927	53,927	-
	<u>4,084,585</u>	<u>2,984,976</u>	<u>(1,099,609)</u>

Calculation of Hours Adjustments

We multiplied the allowable minutes per activity by the multiplier for the reimbursable activities (as identified in the table above) to determine the number of allowable hours for reimbursable Activities 1 through 6.

The following table summarizes the claimed and allowable hours for the audit period:

Reimbursable Activity	Claimed Hours	Allowable Hours	Adjusted Hours
1	96,832.47	11,998.04	(84,834.43)
2	71,631.65	4,818.52	(66,813.13)
3	104,023.88	11,998.04	(92,025.84)
4	92,815.79	4,818.52	(87,997.27)
5	698.05	698.05	-
6	4,541.31	4,541.31	-
	<u>370,543.15</u>	<u>38,872.48</u>	<u>(331,670.67)</u>

Calculation of Costs by Reimbursable Activities

For Activities 1 and 3, we multiplied the allowable minutes by net student enrollment to determine the number of hours spent to perform the activities for FY 1998-99 through FY 2010-11. We then multiplied the hours spent times the audited average productive hourly rates to determine allowable costs for salaries and benefits. We determined net student enrollment by excluding non-residents and special part-time students from total student enrollment. The CCCCCO's management information system (MIS) identifies enrollment information based on student data that the district reported. The CCCCCO identifies the district's enrollment based on the CCCCCO's MIS data element STD 7, codes A through G. The CCCCCO eliminates any duplicate students based on their Social Security numbers. We also took into account the number of students who paid their enrollment fees using the district's on-line system or by telephone based on a report that was prepared for us by district staff.

For Activities 2 and 4, we multiplied the allowable minutes by the adjusted net student enrollment to determine the number of hours spent to perform the activities for FY 1998-99 through FY 2010-11. We then multiplied the hours spent times the audited productive hourly rates to determine allowable costs for salaries and benefits. To determine adjusted net student enrollment, we deducted from net student enrollment the number of students who were exempt from paying enrollment fees because they received a BOGG fee waiver. We obtained the number of students in the district who received BOGG fee waivers each year from the CCCCCO based on data the district reported. The CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F.

We applied the audited average productive hourly rates to the allowable hours per reimbursable activity. We determined that salaries and benefits totaling \$873,378 are allowable and \$9,687,376 is unallowable.

The following table summarizes the claimed and allowable salary and benefit costs by reimbursable activity for the audit period:

Reimbursable Activity	Salaries and Benefits Claimed	Salaries and Benefits Allowable	Audit Adjustment
1	\$ 2,788,628	\$ 271,911	\$ (2,516,717)
2	1,998,413	99,108	(1,899,305)
3	3,005,841	271,911	(2,733,930)
4	2,598,600	99,108	(2,499,492)
5	24,101	18,634	(5,467)
6	145,171	112,706	(32,465)
	<u>\$ 10,560,754</u>	<u>\$ 873,378</u>	<u>\$ (9,687,376)</u>

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District's Response

The draft audit report states that the district claimed \$10,560,754 in salaries and benefits for the staff time to calculate and collect enrollment fees, of which \$873,378 is allowable and \$9,687,376 is unallowable. The costs are disallowed for several reasons because the audit:

- rejects the District calculation of the average staff time required to perform the reimbursable activities and substitutes the auditor's own time-study;
- rejects the enrollment data reported by the District and substitutes the enrollment data the auditor obtained from the California Community College Chancellor's Office (CCCCO);
- removes from the workload calculation the number of students who paid their enrollment fees online rather than in person: and,
- adjusts the average staff salary and benefit amounts used to calculate the productive hourly rates.

A. Average activity time

For the six activities in the Enrollment Fee Collection (EFC) cost component, district staff implementing the mandate individually reported an average time in minutes to perform each activity using forms provided by our mandate consultant. These certified good faith estimates were averaged for similar job positions to establish one average time for each activity. The total of the average times for the six activities ranged from 26.50 to 40.40 minutes over the audit period. These times are multiplied by relevant enrollment or other workload statistics and then multiplied by relevant staff productive hourly rates.

The draft audit concludes that these good faith estimates are not acceptable “source documentation” of “actual costs” and rejects the time estimates for four of the six activities. The audited total of the average times for the six activities ranges from 13.66 to 15.26 minutes over the audit period. This is the major source of the cost adjustment. The audit “time study” for the four activities is based on observing some of the enrollment fee collection process in the Bursar’s Office. The auditor observed 178 transactions, of which 78 involved payment of enrollment fees. By comparison, the District reported about one million enrollment fee collection transactions for the audit period. For this reason, and many others, the auditor’s observation process does not constitute a representative “time study” sample.

For the remaining two activities (5 and 6), which were not observed by the auditor, the average times were accepted by the auditor.

B. Workload multipliers

The average staff time for each activity is multiplied by a specific workload factor for each activity to determine the claimable staff time. Both the District and the auditor used this method. For four of the activities the workload multipliers rely upon enrollment statistics with relevant adjustments. As a matter of Controller policy, the audit utilized data obtained from the Chancellor’s Office which the auditor modified for different categories of special admission students. Thus, there was no point for the District to dispute the findings since they are a matter of policy and not subject to individual auditor discretion. This is a matter of statewide concern that can only be resolved by an incorrect reduction claim.

There is the related workload multiplier issue of the number of “online” (internet or phone) transactions. When this program became a mandate in FY 1998-99, there was no significant online activity, and so was not factored into the annual claims. However, District data processing staff was able to provide a reasonable estimate of the percentage of online transactions retroactive to FY 2001-02, when the Banner System was established. We also stipulated to a percentage for years prior to FY 2001-02. However, the audit does not include any replacement costs for the online fee collection process in mitigation of this adjustment.

The workload multipliers were accepted by the auditor for the remaining two activities (5 and 6).

C. Productive hourly rates

The salary and benefits productive hourly rate is multiplied by the product of the average staff time per activity and relevant workload multiplier. The draft audit concludes that the District overstated the productive hourly rates because the District did not weight the average rates for each activity. This is discussed at Finding 6.

D. Legal basis for the adjustments

The draft audit report states that the legal basis for these adjustments is the documentation standard contained in the mandate program parameters and guidelines:

The program's parameters and guidelines (section IV-Reimbursable Activities) state "To be eligible for mandated cost reimbursement, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records, lime logs, sign-in sheets, invoices, and receipts."

Thus, the nature and quality of the source documents, as perceived by the auditor, are the stated legal basis for disallowing the District time estimates, workload statistics, and productive hourly rates. It should be remembered that the parameters and guidelines were adopted January 26, 2006, which is seven years after the first fiscal year in the audit period. Regardless, by substituting its own time study for four of the activities, the Controller is validating the concept of using average times as an acceptable method for the calculation of the mandate costs. The difference becomes one of fact, how much time to allow for each activity. Also, by accepting the District's reported time and workload statistics for the remaining two activities, the Controller is validating the District's good faith method and the mandate consultant's forms as an acceptable method for estimating average time.

SCO's Comments

The finding and recommendation remain unchanged.

The district addresses four specific issues in its response to Finding 1, specifically:

- A. Average activity time,
- B. Workload multipliers,
- C. Productive hourly rates, and
- D. Legal basis for the adjustments.

We will address our comments in the same order as presented by the district.

Average activity time

The district makes reference to "good faith estimates" provided in support of the average activity time required to perform the reimbursable activities. However, estimates, whether provided in good faith or not, are not in compliance with the adopted parameters and guidelines. The district's mandated cost consultant developed the employee survey forms. Annual survey forms were completed by an average of 73 employees for enrollment fee collection activities for the audit period. Staff members who completed the survey forms estimated the amount of time required to complete various activities. The times recorded by the employees surveyed to complete reimbursable activities 1-4 varied in length as follows:

- Activity 1 (Reference student accounts) – 1 to 60 minutes

- Activity 2 (Calculate/collect enrollment fee) – 1 to 30 minutes
- Activity 3 (Answer student questions) – 1 to 60 minutes
- Activity 4 (Updating student records) – 1 to 38 minutes

The consultant took the time recorded on the survey forms and divided it by the number of responses without verifying the time recorded on the survey forms. All responses were given equal weight even though all employees surveyed did not perform the mandated activities at the same level. In addition, some employees surveyed worked in the district's Financial Aid Office and did not perform the activities of calculating and collecting enrollment fees from students. The district also mentions that the "good faith estimates" were "certified." However, these are corroborating documents. Section IV of the parameters and guidelines also states:

Evidence corroborating the source documents may include, but is not limited to worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Civil Code of Procedure section 2105.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. *However, corroborating documents cannot be substituted for source documents* [emphasis added].

As a result, *all* costs were unallowable as claimed because, by substituting corroborating documents for source documents, they were not supported in compliance with the documentation requirements stipulated in Section IV of the parameters and guidelines.

As the mandated activities took place at the district during the audit period, we assessed whether or not the time estimates cited by district staff were reasonable by conducting observations of district staff performing the reimbursable activities for calculating and collecting enrollment fees. We also held discussions with district staff to determine the procedures that they followed to conduct the reimbursable activities. As a result of our observations and discussions, we determined that the time increments claimed for the first four reimbursable activities (reimbursable activities to reference a student account, calculate the fee, answer questions, and update student records) were unreasonable and excessive. For example, while the district claimed time increments totaling as high as 27.9 minutes for these four activities to collect enrollment fees for each student, we observed that it only took 2.76 minutes to perform these activities. In addition, the activities to calculate the fee and update student records are performed automatically by the district's computerized systems and require little, if any, involvement by district staff.

The district states that the number of observations we made of district staff performing the reimbursable activities was insufficient in scope. However, our auditors spent a week at the district's Admissions and Records and Bursar's Office observing students paying all manner of

fees owed to the district. The district states that it performed “one million enrollment fee collection transactions for the audit period,” although the district did not provide any source documentation to support the time required to perform any of these transactions. Instead, all time increments were supported only by estimates. Our observation results provided actual source documentation for the reimbursable activities and formed a reasonable basis on which to calculate allowable costs.

We first discussed the results of our observations with district management on October 14, 2011. At that meeting, we advised the district that its claims were supported only by estimates and were, therefore, unallowable as claimed. We also advised the district that it could perform a time study to provide actual source documentation for its claims. The district has had more than 20 months before the draft report was issued to perform its own time study, but declined to do so. We performed observations of district staff calculating and collecting fees during January of 2012, and advised district management of our observation results on March 8, 2012. We also advised the district of our intent to apply the observation results to the entire audit period in the absence of source documentation. Therefore, the district has had ample time within which to provide its own actual source data upon which to base allowable costs.

Workload multipliers

The district is correct when it states that we use student enrollment data for the district that we obtained from the California Community Colleges Chancellor’s Office (CCCCO). This data is based upon student enrollment information that the district reported and was adjusted by the CCCCCO to remove duplicate students from the data. The district states that we “modified” the data as a matter of policy. However, we adjusted student enrollment based upon the requirements contained in the parameters and guidelines, (Section IV.A.2.a – Reimbursable Activities – Enrollment Fee Collection – Ongoing Activities) which state that costs incurred to collect enrollment fees from nonresidents and special part-time students cited in Education Code section 76300, subdivision (f) are not reimbursable. Therefore, we adjusted student enrollment numbers obtained from the CCCCCO based upon these requirements.

The district is also correct that we adjusted the multiplier calculation based upon the number of students who paid their enrollment fees in person versus online or through a telephone payment system. The district acknowledges that they gave no significance to fees paid online or through a telephone payment system when preparing its claims. As a result, the district incorrectly claimed costs for fee payments that did not require the involvement of district staff. However, the district did prepare a report during audit fieldwork allocating the number of fees paid online, via telephone, and in person during the audit period. We made our request for this report when we issued our audit start letter on September 1, 2011. The district did not provide this data to us until January 31, 2013.

The district states that “the audit does not include any replacement costs for the online fee collection process in mitigation of this adjustment.”

However, it is not SCO's responsibility to prepare documentation to support mandated costs incurred by the district. This is the responsibility of the district. We encouraged the district to provide support for any additional costs incurred to comply with the mandated activities throughout the course of our audit fieldwork. However, the district did not provide any information supporting "replacement costs" or indicated that it would provide such information. The district did not provide any additional support in its response to the draft audit report.

Productive Hourly Rates

The issue of overstated productive hourly rates is discussed in Finding 6.

Legal Basis for the Adjustments

Our draft audit report is correct when it states that the documentation standards for costs claimed under the Enrollment Fee Collection and Waivers Program are contained in the parameters and guidelines. The parameters and guidelines were adopted by CSM on January 26, 2006, and allowed claims to be filed commencing with FY 1998-99. The SCO's initial set of claiming instructions for this mandated program were issued in April of 2006, and the district filed its initial claims for this program on August 9, 2006. While the district is correct that the parameters and guidelines were adopted seven years after the first fiscal year of the audit period for which costs could be claimed, that issue is irrelevant for the purposes of providing actual cost documentation. The district could have developed actual cost documentation and/or performed a time study of activities actually being performed to support its claims. However, the district did not do this for *any* fiscal year of the audit period and opted to base claimed costs on estimates of reimbursable activities. As a result, the district's claims were never in compliance with the parameters and guidelines at any time during the audit period regarding source documentation. The district even acknowledges in its response that its claims were based on "good faith estimates," some of which were determined to be unreasonable and excessive, as noted previously.

The district states that we are substituting our own time study for four of the reimbursable activities. This statement is incorrect, as the district did not conduct its own time study. Instead, the district conducted a time survey based on estimates of time provided by district staff on forms provided by the district's mandated cost consultant. Therefore, there was no time study for us to "substitute," as the district suggests. We determined the reasonableness of the time estimates claimed by the district for the first four reimbursable activities by observing district staff as they performed these activities. As noted previously, our observations confirmed that these time increments claimed were unreasonable and excessive. However, we concluded that the time claimed for reimbursable activities 5 and 6 (collecting delinquent enrollment fees and providing refunds for students who subsequently received fee waivers after paying their enrollment fees) were reasonable based upon our observations of the activities being performed at the district and discussions with district representatives. The district believes that our acceptance of the time claimed for these two activities validates the

methodology that it used for all of the other activities as well. However, our acceptance of the time claimed for activities 5 and 6 was not based upon our acceptance of the district's methodology. Instead, it was based upon our determination that the time claimed was reasonable, whereas we determined that the time increments claimed for the first four activities was unreasonable.

**FINDING 2—
Enrollment Fee
Waivers: Adopting
Procedure, Recording
Maintaining Records
cost component—
unallowable ongoing
costs**

The district claimed \$18,125 in salaries and benefits related to adopting procedures, recording, and maintaining records related to enrollment fee waivers. We determined that \$8,591 is allowable and \$9,534 is unallowable. Initially, the entire amount was unallowable because costs were based on estimates of time to perform the reimbursable activities.

We worked with the Director of Financial Aid to determine the tasks involved during the audit period to perform the reimbursable activities to adopt new district procedures based on changes in eligibility for BOGG fee waivers and to purge old and store new BOGG fee-waiver records, and the time required to complete them. The Director explained that the costs originally claimed for FY 2010-11 included time spent on non-reimbursable activities such as reporting to the President's Office, reporting on the impact of the Dream Act, and various other non-reimbursable activities.

Based on our interviews with the Director of Financial Aid, we determined the following employee classifications and allowable hours for the reimbursable activity of Adopting Procedures:

FY 1999-2000 through FY 2010-11

- 10 hours for the Director of Financial Aid classification
- 3 hours for the Financial Aid Specialist classification

For the reimbursable activity of Recording and Maintaining Records, we determined that 3 hours were allowable for the Financial Aid Specialist classification.

We applied the audited productive hourly rates to the allowable hours per classification to determine allowable costs.

The following table summarizes the claimed, allowable, and audit adjustment amounts related to adopting procedures, recording, and maintaining records related to enrollment fee waiver costs:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
1999-00	\$ -	\$ 529	\$ 529
2000-01	-	573	573
2001-02	-	607	607
2002-03	-	657	657
2003-04	-	710	710
2004-05	-	739	739
2005-06	-	748	748
2006-07	-	808	808
2007-08	-	883	883
2008-09	-	824	824
2009-10	-	663	663
2010-11	<u>18,125</u>	<u>850</u>	<u>(17,275)</u>
Total, salaries and benefits	<u>\$ 18,125</u>	<u>\$ 8,591</u>	<u>\$ (9,534)</u>

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents that were created at or near the same time the actual cost was incurred for the event or activity in question. (See Finding 1 for the specific language).

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) require claimants to “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

The parameters and guidelines (section IV.B.2.a–Reimbursable Activities–Enrollment Fee Waivers–Ongoing Activities) allow ongoing activities related to the following:

Adopting procedures that will document all financial assistance provided on behalf of students pursuant to chapter 9 of title 5 of the California Code of Regulations; and including in the procedures the rules for retention of support documentation that will enable an independent determination regarding accuracy of the districts certification of need for financial assistance.

Recording and maintaining records that document all of the financial assistance provided to students for the waiver of enrollment fees in a manner that will enable an independent determination of the district’s certification of the need for financial assistance.
Salaries and Benefits

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The draft audit report states that the district claimed \$18,125 in salaries and benefits for the staff cost to adopt procedures, recording, and maintaining waiver records and statistics, of which \$8,591 is allowable and \$9,534 is unallowable. All of the amounts reported by the District for FY 1999-00 through FY 2009-10 were approved. The costs reported for FY 2010-11 were substantially disallowed because staff time was included for activities not related to the mandate. The District does not dispute this adjustment at this time.

SCO’s Comment

The finding and recommendation remain unchanged.

**FINDING 3—
Enrollment Fee
Waivers: Waving
Student Fees cost
component—
unallowable ongoing
costs**

The district claimed \$4,285,990 in salaries and benefits for the Waiving Student Fees cost component during the audit period in accordance with Education Code section 76300, subdivisions (g) and (h), and waiving student fees for students who apply for and are eligible for BOGG fee waivers. We determined that \$236,628 is allowable and \$4,049,362 is unallowable. The costs are unallowable because the district estimated the amount of time required to perform the reimbursable activities. In addition, we noted variations in the number of students used in the district’s calculations based on data the district reported to the CCCCCO. We also made adjustments to the average productive hourly rates used in the district’s claims.

The following table summarizes the overstated ongoing costs related to waiving student fees by fiscal year:

	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and benefits:			
1999-00	\$ 120,363	\$ 5,025	\$ (115,338)
2000-01	150,225	5,715	(144,510)
2001-02	285,123	6,908	(278,215)
2002-03	267,027	13,463	(253,564)
2003-04	326,672	14,826	(311,846)
2004-05	331,117	18,250	(312,867)
2005-06	466,102	23,385	(442,717)
2006-07	279,745	24,409	(255,336)
2007-08	911,514	28,677	(882,837)
2008-09	578,134	28,125	(550,009)
2009-10	211,032	31,120	(179,912)
2010-11	358,936	36,725	(322,211)
Total, salaries and benefits	<u>\$ 4,285,990</u>	<u>\$ 236,628</u>	<u>\$ (4,049,362)</u>

The parameters and guidelines (section IV.B.2.b–Reimbursable Activities–Enrollment Fee Waivers–Ongoing Activities) allow the following ongoing reimbursable activities:

- A. Waiving student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h). Waiving fees for students who apply for and are eligible for BOG fee waivers.
 - i. Answering student’s questions regarding enrollment fee waivers or referring them to the appropriate person for an answer. **[Activity 7]**
 - ii. Receiving of waiver applications from students by mail, fax, computer online access, or in person, or in the form of eligibility information processed by the financial aid office. **[Activity 8]**
 - iii. Evaluating each application and verification documents (dependency status, household size and income, SSI and TANF/CalWorks, etc.) for compliance with eligibility standards utilizing information provided by the student, from the student financial aid records (e.g., Free Application for Federal Student Aid (FAFSA), and other records. **[Activity 9]**
 - iv. In the case of an incomplete application or incomplete documentation, notify the student of the additional required information and how to obtain that information. Hold student application and documentation in suspense file until all information is received. **[Activity 10]**
 - v. In the case of an approved application, copy all documentation and file the information for further review or audit. Entering the approved application information into district records and / or notifying other personnel performing other parts of the process (e.g., cashier’s office). Providing the student with proof of eligibility or an award letter, and file paper documents in the annual file. **[Activity 11]**
 - vi. In the case of a denied application, reviewing an evaluating additional information and documentation provided by the student if the denial is appealed by the student. Provide written notification to the student of the results of the appeal or any change in eligibility status. **[Activity 12]**

The parameters and guidelines (section IV–Reimbursable Activities) require claimed costs to be supported by source documents that were created at or near the same time that actual costs were incurred for the event or activity in question. (See Finding 1 for the specific language.)

The parameters and guidelines (section V.A.1–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) state that salaries and benefits are reimbursable if claimants “Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate. Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.”

Salaries and Benefits

The district claimed salaries and benefits during the audit period to waive student fees in accordance with groups listed in Education Code section 76300, subdivisions (g) and (h) and to waive fees for students who apply for and are eligible for BOGG fee waivers. For FY 1999-2000 through FY 2010-11, the district claimed salaries and benefits for the six reimbursable activities under the Waiving Student Fees cost component using time allowances developed from estimated time it took staff to complete various activities through the use of employees' annual survey forms. For FY 1999-2000 through FY 2010-11, employees estimated the average time in minutes it took them to perform the six reimbursable activities per student per year on certification forms developed by the district's mandated cost consultant. The district did not provide any source documentation based on actual data to support the estimated time allowances.

The following table summarizes the minutes claimed for reimbursable activities 7 through 12:

Reimbursable Activity	Claimed						
	FY 1999-2000 Through FY 2000-01	FY2001-02 Through FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
7 Answering questions	5.60	5.60	3.40	5.80	3.10	3.50	4.10
8 Receiving applications	8.40	8.40	4.40	15.40	5.70	5.30	5.50
9 Evaluate applications	10.10	10.10	3.80	9.40	4.30	3.60	8.30
10 Incomplete applications - notification	-	9.90	4.50	12.40	4.60	-	-
11 Approved applications	12.50	12.50	5.40	16.10	5.40	4.30	8.70
12 Review waiver denials appealed by students	-	14.30	5.50	8.40	6.60	-	-
	36.60	60.80	27.00	67.50	29.70	16.70	26.60

As the mandated activities took place at the district during the audit, we assessed whether or not the time estimates cited by district staff for FY 1999-2000 through FY 2010-11 were reasonable. We held discussions with various district representatives in order to determine the procedures that district staff followed to perform the reimbursable activities. We observed district staff in the Financial Aid Office that processes students' BOGG fee waiver applications. We documented the average time increments spent by district staff to perform these activities based on our observations.

In applying the time allowances, the district did not report the correct number of students who received BOGG fee waivers. We recalculated reimbursable activities using the correct number of students who received BOGG fee waivers (multiplier). We also made adjustments to the average productive hourly rates that were used in the district's claims. Based on this information, we determined that the district overstated salaries and benefits by \$4,049,362 for the audit period.

Activities 7 through 12—BOGG Fee Waiver Application Processing—General Information

According to the district's website <http://financialaid.fullcoll.edu/bogfw11-12.html>, the various BOGG fee waivers that may be granted are as follows:

The BOGFW offers waivers of tuition fees and a discounted parking permit fee.

BOGG waiver A: For dependent students whose parents are receiving cash assistance from: TANF/CalWORKs, SSI/SSP, General Assistance. Eligible dependent of a United States Veteran For dependent students of qualified Veterans, Congressional Medal of Honor recipients; Victims of the September 11, 2001, terrorist attack; and deceased law enforcement/fire personnel killed in the line of duty. Dependent students of a deceased law enforcement/fire suppression personnel killed in the line of duty.

Special Classification BOGG waiver: Proof of eligibility from the appropriate district is required.

BOGG waiver B: For low income students. It is based on the previous year's income. If students do not meet the independent criteria, they will use their parents' income to qualify.

BOGG waiver C: eligibility is determined by filing a FAFSA (Free Application for Federal Student Aid) application. Once the district receives a valid SAR (Student Aid Report), the student will automatically be considered for a BOGW.

We determined that the district may process some students multiple times if the student first applies for a BOGG fee waiver and is denied for BOGG fee waiver A or BOGG fee waiver B. In addition, district staff will have little or no involvement with students who use the district's online BOGW application process or the FASFA online process for BOGG fee waiver C. For FY 1999-2000 through FY 2004-05, all applications were received in paper form and manually processed by district staff. Students were able to apply for BOGG fee waivers online beginning in FY 2005-06.

For BOGG fee waiver A, students may apply online or in person. However, whether students apply online or in person, the student still must bring in proof of benefits received to the Financial Aid Office.

For special-classification BOGG waivers, the staff time involvement is similar to the BOGG A fee waiver, as described above. Students must bring in proof of eligibility to the Financial Aid and Scholarship Office.

For BOGG fee waiver B, only students who are dependents must bring in a parent signature page. However, if the student is independent and qualifies based on income requirements, there is no staff time involved to process this application. For these students, the system automatically approves the BOGG fee waiver. Once the BOGG waiver is granted, students receive an automatic notice through their online "myGateway" school account.

For BOGG fee waiver C, students may initially apply for BOGG fee waiver A or B and be denied. If the student does not qualify for a BOGG fee waiver, the student is asked to apply for financial aid. A BOGG fee waiver C may then be granted through the FAFSA application process. There are no additional documentation requirements for the BOGG fee waivers granted through the FAFSA. However, there

are additional FAFSA documentation verification requirements, such as maintaining a certain GPA, verifying tax returns, and verifying maximum units taken. After the FAFSA requirements have been reviewed, staff reviews specific information in order to grant a BOGG fee waiver if the student qualifies and one has not already been automatically granted. The increased staff involvement for the BOGG fee waiver in this case occurs after the FAFSA requirements have been reviewed.

Most students apply online for the BOGG fee waiver through the FAFSA. To apply for the BOGG fee waiver, students access the application through “myGateway” by clicking on the financial aid link on “Webstar.” We were given an overall step-by-step overview of how district staff processes BOGG fee waiver applications and reviews supporting documentation through the FAFSA documentation verification process.

The financial aid verification process is mandated by the U.S. Department of Education. Community College Districts are required to verify at least 50% of the financial aid applications for eligibility of federal aid. The Director of Financial Aid indicated that the district strives to verify no less than 70% of the financial aid applications because of the potential liability to the college. At the completion of the financial aid verification process, district staff verifies eligibility for a BOGG fee waiver and/or ensures that a BOGG fee waiver has been posted or granted, if the student is eligible. Therefore, at least 70% of the BOGG fee waiver applications are verified for eligibility. The financial aid staff may also answer student questions regarding the BOGG fee waiver when calling students in regard to the financial aid application.

The district also has a dedicated online BOGG fee waiver application. The application is a protected link, accessible only once the student logs in via the “myGateway” student portal. This is used for BOGG A, BOGG B and BOGG F (Special Classifications) waivers.

Activity 7—Answering student questions

We observed Student Hourly staff, Clerical Assistants, Financial Aid Technicians, and a Financial Aid Specialist helping students who applied in person for a BOGG fee waiver. At the front counters, staff answer BOGG fee waiver questions and direct students to fill out the BOGG fee waiver application online at a computer located adjacent to the counter. Financial Aid staff at the back counters of the Financial Aid Office evaluate BOGG fee waiver supporting documents, notify students by email of approved, incomplete, and denied applications, and call students to obtain additional information.

Activity 8—Receiving enrollment fee waiver applications

The district received paper BOGG Fee waiver applications up to FY 2004-05. Currently, the district may receive BOGG fee waiver applications through the district’s BOGW online system or through the FAFSA website. All of the BOGG fee waivers currently processed by the district are through the district’s BOGW online system and through the FAFSA website.

Activity 9–Evaluating waiver applications and verifying documentation

The Financial Aid Technicians and Financial Aid Specialist evaluated and processed the paper BOGG fee waiver applications prior to FY 2004-05. Beginning in FY 2005-06, the BOGG fee waivers were automated.

The automated BOGG fee waiver applications approved online with no documentation requirements are not evaluated by district staff. However, the Financial Aid Technicians and Financial Aid Specialists evaluate BOGG fee waiver supporting documents on an ongoing basis. In addition, the Financial Aid Technicians and Financial Aid Specialists evaluate FAFSA applications throughout the year. Therefore, while evaluating the financial Aid requirements, district staff also verifies BOGG fee waiver eligibility.

Furthermore, if a student makes an error while completing the online BOGG fee waiver application, the district requires the student to provide proof (documentation) in order to correct the error. Once the proper documentation is provided, staff is able to “reset” a new BOGG fee waiver online application for the student to complete again.

Activity 10–Notifying students of additional required information, in the case of an incomplete application

Financial Aid Office staff indicated that students can’t finish the application if they don’t answer all the questions. The district uses “myGateway,” which is the district’s student portal system. At the end of the BOGG fee application process, students receive either a congratulations notification or an “I’m sorry, you don’t qualify” notification. Most students initiate communication with district staff if the BOGG fee waiver has not been granted or posted. Staff may access a student’s computer file and view prior comments or notes and inform students of any additional required information.

As noted above, if a student makes an error on the online BOGG fee waiver application, the district requires the student to provide proof (documentation) in order to correct the error. Once the proper documentation is provided, staff is able to “reset” a new BOGG fee waiver online application for the student to complete again.

Activity 11–Copying all documentation and file the information for further review, in the case of an approved application

We observed staff accepting BOGG fee waiver supporting documents (Activity 8), evaluating applications and supporting documents for eligibility (Activity 9), copying all supporting documents, and filing the information for further review (Activity 11). If the district determined that the student is eligible for a BOGG fee waiver, staff post the fee waiver and create a “budget” for the student.

In addition, during the FAFSA application process, the student’s information is loaded into the district’s student database from the FAFSA website. During the FAFSA application process, staff briefly

reviews student information to determine if the student is eligible for a BOGG fee waiver. If the student is eligible for a BOGG fee waiver, staff posts the BOGG waiver to the student's account.

Activity 12–Appealing a denied BOGG fee waiver application

District staff explained that the district does not have a formal appeal process for denied BOGG fee waiver applications. According to the Financial Aid Director, there are very few denials. The denials usually result because the student's and/or parent(s)' income exceeds the eligibility threshold. If the waiver is denied, students are instructed to apply for financial aid using the FAFSA website.

Time Increments

Using certification forms developed by the district's mandated cost consultant, district employees estimated the time required to perform the reimbursable activities. Based on these certifications, the district developed per-student time allowances of 36.60 minutes for FY 1999-2000 through FY 2000-01, 60.80 minutes for FY 2001-02 through FY 2005-06, 27.0 minutes for FY 2006-07, 67.50 minutes for FY 2007-08, and 29.70 minutes for FY 2008-09, 16.70 minutes for FY 2009-10, and 26.6 minutes for FY 2009-10.

We determined that the time allowances claimed for these activities were overstated for the entire audit period. We held discussions with various district representatives during the audit in order to determine the procedures district staff followed to perform the reimbursable activities. We observed district staff in the Financial Aid Office performing the reimbursable activities and other non-mandated activities. We documented the average time increments spent by district staff for the reimbursable activities. Over several days, we observed 225 enrollment fee waiver transactions processed by district staff encompassing Activities 7 through 11 totaling 232.7 minutes. The average time to perform all five activities was 2.60 minutes or 0.52 minutes per activity. The Office Supervisors were encouraged to watch over the auditors while our observations were being documented. We documented the average time increments spent by district staff to perform the reimbursable activities based on our observations. We reviewed the observations as they took place with the Office Supervisors. The district's mandated cost consultant and District management staff advised the Office Supervisors and the college campus staff not to comment on any of our analysis results, determinations, or observations. In addition, the District Director of Fiscal Affairs advised us not to discuss our audit results with management or any other campus staff.

In order to provide an actual cost basis on which to determine allowable costs for the district's claims, we applied the results of our observations to all years of the audit period.

Multiplier Calculation

For Activities 7 through 12, the district claimed costs by multiplying the number of BOGG fee waivers based on district records by a uniform time allowance and an annual average productive hourly rate. For Activities 7, 8, and 9, the district used the number of students who received a BOGG fee waiver plus the number of denied and incomplete BOGG fee waiver applications as the multiplier. For Activity 10, the district used the number of incomplete BOGG fee waiver applications at the end of the year. For Activity 11, the district used the number of students who received a BOGG fee waiver. For Activity 12, the district used the same number of BOGG fee waivers that were incomplete at the end of the year as the number of applications that were appealed by students for incorrect information.

For Activities 7, 8, 9, and 10, we applied the time required to perform the reimbursable activities by the number of students who received BOGG fee waivers, according to statistics provided by the CCCCCO. Using data that the district reported, the CCCCCO identified the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F. For Activities 7 through 10, we adjusted the CCCCCO information by including students whose fee waiver applications were incomplete at the end of the year.

For Activity 10 (incomplete BOGG fee waiver applications), we applied the time increments to the number of incomplete BOGG fee waiver applications at the end of the year claimed by the district and included the number of students who received BOGG fee waivers, according to statistics provided by the CCCCCO. This represents the maximum number of incomplete applications that may have been processed by district staff throughout the year.

For Activity 11 (approved BOGG fee waiver applications) we applied the time required to perform the reimbursable activity by the number of students who received BOGG fee waivers according to statistics provided by the CCCCCO. Using data that the district reported, the CCCCCO identifies the unduplicated number of BOGG recipients by term based on MIS data element SF21 and all codes with the first letter of B or F.

For Activity 12 (appeals of denied BOGG fee waiver applications) we did not apply any time increments to the number of student appeals of denied BOGG fee waiver applications claimed by the district. As noted previously, the district does not have any process in place to review denied BOGG fee waiver applications. Rather than conduct a review of denied BOGG fee waivers, students are instructed to apply for Financial Aid.

Calculation of Time Increments Adjustment

The following table summarizes the minutes claimed and allowable for reimbursable Activities 7 through 12:

Reimbursable Activities	Claimed							Allowable
	FY 1999-2000 Through FY 2000-01	FY 2001-02 Through FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 1999-2000 Through FY 2010-11
	7 Answering questions	5.60	5.60	3.40	5.80	3.10	3.50	4.10	0.52
8 Receiving applications	8.40	8.40	4.40	15.40	5.70	5.30	5.50	0.52
9 Evaluate applications	10.10	10.10	3.80	9.40	4.30	3.60	8.30	0.52
10 Incomplete applications - notification	-	9.90	4.50	12.40	4.60	-	-	0.52
11 Approved applications	12.50	12.50	5.40	16.10	5.40	4.30	8.70	0.52
12 Review waiver denials appealed by students	-	14.30	5.50	8.40	6.60	-	-	-
	<u>36.60</u>	<u>60.80</u>	<u>27.00</u>	<u>67.50</u>	<u>29.70</u>	<u>16.70</u>	<u>26.60</u>	<u>2.60</u>

Note: Numbering is used to facilitate referencing to individual reimbursable activities.

Calculation of Multiplier Adjustment—Number of BOGG Fee Waivers

The following table summarizes the claimed and allowable, and adjustment amounts for the multiplier for each reimbursable activity that took place at the district for reimbursable Activities 7 through 12:

Reimbursable Activity	Claimed Multiplier	Allowable Multiplier	Adjusted Multiplier
7	274,891	267,412	(7,479)
8	274,891	267,412	(7,479)
9	274,891	267,412	(7,479)
10	10,937	267,412	256,475
11	263,954	256,475	(7,479)
12	10,937	-	(10,937)
	<u>1,110,501</u>	<u>1,326,123</u>	<u>215,622</u>

Productive Hourly Rates

The district also overstated the average productive hourly rates used for Activities 7 through 12 in its claims for the audit period. The district’s average productive hourly rates included staff that did not perform Activities 7 through 12 and excluded staff that did perform the reimbursable activities. We determined that the staff excluded was employees that did not receive a time survey form. In addition, the district did not weigh the average rate by employee classification. Instead, all employee classifications were weighted at the same level as if they performed the reimbursable activities to the same extent. As explained in Finding 6, we recalculated the average productive hourly rates based on actual employees involved in waiving student fees activities and made minor changes to the claimed rates.

Calculation of Hours Adjustments

We multiplied the allowable minutes per reimbursable activity by the multiplier for the reimbursable activities (as identified in the table above) to determine the number of allowable hours for reimbursable Activities 7 through 12.

The following table summarizes the claimed and allowable hours by reimbursable activity for the audit period:

Reimbursable Activity	Hours Claimed	Hours Allowable	Adjusted Hours
7	21,409.76	2,317.58	(19,092.18)
8	35,806.54	2,317.58	(33,488.96)
9	35,224.54	2,317.58	(32,906.96)
10	1,637.41	2,317.58	680.17
11	43,627.15	2,222.77	(41,404.38)
12	2,124.62	-	(2,124.62)
	<u>139,830.02</u>	<u>11,493.09</u>	<u>(128,336.93)</u>

Calculation of Costs by Reimbursable Activities

We applied the audited productive hourly rates to the allowable hours per reimbursable activity. We determined that salaries and benefits totaling \$236,628 are allowable and \$4,049,362 are unallowable.

The following table summarizes the claimed and allowable salary and benefit costs by reimbursable activity for the audit period:

Reimbursable Activity	Salaries and Benefits Claimed	Salaries and Benefits Allowable	Adjusted Hours
7	\$ 656,120	\$ 47,690	\$ (608,430)
8	1,127,771	47,690	(1,080,081)
9	1,062,784	47,690	(1,015,094)
10	47,017	47,690	673
11	1,333,301	45,868	(1,287,433)
12	58,997	-	(58,997)
	<u>\$ 4,285,990</u>	<u>\$ 236,628</u>	<u>\$ (4,049,362)</u>

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The draft audit report states that the District claimed \$4,285,990 in salaries and benefits for the staff cost of approving or denying BOGG enrollment fee waivers, of which \$236,628 is allowable and \$4,049,361 is unallowable. This cost component is calculated in the same manner as the Enrollment Fee Collection cost component and the costs are disallowed for same reasons: average staff time required to perform the reimbursable activities; enrollment data and other workload multipliers; online transactions; and, weighted productive hourly rates.

Regarding the average activity times, the District claimed average times for the six activities ranging from 27.00 to 60.80 minutes over the audit period. The draft audit rejects the time estimates for all six activities. The audited total of the average times for the six activities is 2.6 minutes for all fiscal years. This is the major source of the cost adjustment. The audit “time study” for the activities is based on observing 225 enrollment fee waiver process transactions in the Financial Aid Office. By comparison, the District reported about 275,000 transactions for the audit period.

For five of the six activities the workload multipliers rely upon enrollment statistics with relevant adjustment. As a matter of Controller policy, the auditor utilized data obtained from the Chancellor’s Office. For the sixth activity, appeals of denied waivers, the audit concludes that this activity was not performed, and disallows the workload multiplier reported by the District. The District believes the disallowance of the sixth component is a matter of interpretation that can only be resolved by appeal to the Commission.

Adjustments similar to those made for the enrollment fee collection cost component were also made here for the percentage of online transactions and the productive hourly rates. All of these issues are a subject for the appeal.

SCO’s Comment

The finding and recommendation remain unchanged.

The district acknowledges in its response that the time increments claimed for the cost component of Waiving Student Fees were based on estimates for all six activities. As noted previously, the parameters and guidelines require that costs claimed be supported by actual cost documentation. The district did not provide such documentation for any year of the audit period.

The district’s mandated cost consultant developed the employee survey forms. Annual survey forms were completed by an average of 49 employees for enrollment fee waivers activities for the audit period. Staff members who completed the survey forms estimated the amount of time required to complete various activities. The times recorded by the employees surveyed to complete reimbursable activities 7-11 varied in length as follows:

- Activity 7 (Answer student questions) – 1 to 30 minutes
- Activity 8 (Receive applications) – 1 to 30 minutes
- Activity 9 (Evaluate applications) – 1 to 25 minutes
- Activity 10 (Incomplete applications) – 1 to 30 minutes
- Activity 11 (Approved applications) – 1 to 30 minutes

The consultant took the time recorded on the survey forms and divided it by the number of responses without verifying the time recorded on the survey forms. All responses were given equal weight even though all employees surveyed did not perform the mandated activities at the same level. In addition, some employees surveyed worked in the district’s Admissions and Records Office and did not perform the activities of processing BOGG fee waiver applications for students.

The district implies that the number of observations we made of district staff performing the reimbursable activities was insufficient in scope. However, our auditors spent several weeks at the district's Financial Aid Office observing staff assist students with all manner of financial aid transactions, including the processing of BOGG fee waiver applications. We observed that the time required for staff to process financial aid and/or loan applications was significantly more time consuming than the time required to process BOGG fee waiver applications. The district states that it "reported about 275,000 transactions for the audit period," although the district did not provide any source documentation to support any of these transactions. Instead, all time increments were only supported by estimates. Our observation results provided actual source documentation for the reimbursable activities and formed a reasonable basis on which to calculate allowable costs.

The district states in its response that unallowable costs for activity #12 (appeals of denied BOGG fee waiver applications) were based on "a matter of interpretation." We disagree. Based on a discussion with the district's Financial Aid Director, there are very few denials of BOGG fee waiver applications. The Director explained that denials usually result because the student's and/or parent(s)' income exceeds the eligibility threshold. If the BOGG fee waiver application is denied, students are instructed to apply for financial aid using the FAFSA (Free Application for Federal Student Aid) website. As a result, the district does not have any additional procedures in place to process student appeals of denied BOGG fee waivers. Therefore, no additional costs were incurred by the district for a process that did not exist during the audit period. While the district does have procedures in place to process appeals of denied financial aid applications, these appeals are not reimbursable under the mandated program because they do not relate to the processing of BOGG fee waiver applications.

The district states in its response that part of the audit adjustment for the Waiving Student Fees cost component relates to "the percentage of online transactions." However, our audit adjustment includes no such finding. Instead, the multiplier calculation includes all approved BOGG fee waiver applications reported by the district to the CCCCCO plus the number of incomplete and denied waivers at the end of the year reported by the district. In addition, we adjusted the multiplier upwards by 256,475 students for processing incomplete BOGG fee waiver applications (reimbursable activity #10). We determined that this was the maximum number of incomplete BOGG fee waiver applications that could have been processed by the district throughout each year of the audit period.

**FINDING 4—
Unallowable indirect
costs**

The district claimed indirect costs during the audit period totaling \$3,875,164 for enrollment fee collection activities and \$1,567,393 for enrollment fee waiver activities. For enrollment fee collection activities, we determined that \$298,408 is allowable and \$3,576,756 is unallowable. For enrollment fee waiver activities, we determined that \$93,556 is allowable and \$1,473,837 is unallowable. The costs are unallowable because the district incorrectly applied its indirect cost rates to employee benefits for FY 1998-99 to FY 2005-06 (\$47,477),

understated its indirect cost rates for FY 2008-09 through FY 2010-11 (\$2,041), and claimed unallowable salaries and benefits identified in Findings 1 through 3 (\$5,005,157).

Indirect Cost Rates Claimed

For FY 1998-99 through FY 2007-08, the district claimed indirect costs based on indirect cost rates that it prepared using the principles of Title 2, Code of Federal Regulations, Part 220 (Office of Management and Budget (OMB) Circular A-21). For FY 1998-99, through FY 2005-06, the district applied the indirect cost rate to salaries and benefits. However, the federal rate was calculated using only a base of salary and wages. Accordingly, we limited our application of the indirect cost rates for those years to allowable salaries and wages. The district provided, and we accepted, benefit rates in order to split salary and benefit amounts separately and apply the indirect cost rates only to salaries and wages.

The district misstated its indirect cost rates for FY 2008-09 through FY 2010-11. For FY 2008-09, the district claimed indirect costs using the SCO's FAM 29C methodology. The district calculated the rate using total direct costs as the base instead of salaries and benefits. The base indicated by the SCO's claiming instructions is salaries and benefits. We recalculated the rate using salaries and benefits as the base and applied the rate accordingly. For FY 2009-10 and FY 2010-11, we were unable to determine why the district's rates were misstated.

Our calculations show that the district misstated its indirect cost rates for FY 2008-09 through FY 2010-11.

The following table summarizes the claimed, allowable, and audit adjustments for indirect cost rates:

Fiscal Year	Indirect		Claimed		Indirect		Allowable		Audit Adjustment
	Cost Rate Claimed	Option Used	Calculated Rate using Base of	Applied Base to	Cost Rate Allowable	Option Used	Calculated Rate using Base of	Applied Base to	
1998-99	38.00%	Fed. Rate	Salaries	Sal. & Ben.	38.00%	Fed. Rate	Salaries	Salaries	0.00%
1999-2000	38.00%	Fed. Rate	Salaries	Sal. & Ben.	38.00%	Fed. Rate	Salaries	Salaries	0.00%
2000-01	38.00%	Fed. Rate	Salaries	Sal. & Ben.	38.00%	Fed. Rate	Salaries	Salaries	0.00%
2001-02	38.00%	Fed. Rate	Salaries	Sal. & Ben.	38.00%	Fed. Rate	Salaries	Salaries	0.00%
2002-03	39.00%	Fed. Rate	Salaries	Sal. & Ben.	39.00%	Fed. Rate	Salaries	Salaries	0.00%
2003-04	39.00%	Fed. Rate	Salaries	Sal. & Ben.	39.00%	Fed. Rate	Salaries	Salaries	0.00%
2004-05	39.00%	Fed. Rate	Salaries	Sal. & Ben.	39.00%	Fed. Rate	Salaries	Salaries	0.00%
2005-06	39.00%	Fed. Rate	Salaries	Sal. & Ben.	39.00%	Fed. Rate	Salaries	Salaries	0.00%
2006-07	29.50%	Fed. Rate	Total Dir. Cost	Total Dir. Cost	29.50%	Fed. Rate	Total Dir. Cost	Total Dir. Cost	0.00%
2007-08	29.50%	Fed. Rate	Total Dir. Cost	Total Dir. Cost	29.50%	Fed. Rate	Total Dir. Cost	Total Dir. Cost	0.00%
2008-09	37.04%	FAM 29C	Total Dir. Cost	Sal. & Ben.	37.99%	FAM 29C	Sal. & Ben.	Sal. & Ben.	0.95%
2009-10	39.08%	FAM 29C	Sal. & Ben.	Sal. & Ben.	38.48%	FAM 29C	Sal. & Ben.	Sal. & Ben.	-0.60%
2010-11	40.48%	FAM 29C	Sal. & Ben.	Sal. & Ben.	41.63%	FAM 29C	Sal. & Ben.	Sal. & Ben.	1.15%

Enrollment Fee Collection

The district claimed \$3,875,164 for indirect costs during the audit period, related to salaries and benefits claimed for enrollment fee collection activities. We determined that \$298,408 is allowable and \$3,576,756 is unallowable. We determined that \$37,106 is unallowable because the district incorrectly applied its indirect cost rates to benefits for FY 1998-99 through FY 2005-06, \$1,462 is understated as a result of miscalculated rates for FY 2008-09 through FY 2010-11, and \$3,541,112 is unallowable due to the unallowable salaries and benefits identified in Findings 1 through 3.

The following table summarizes the claimed, allowable, and audit adjustment amounts for indirect costs related to enrollment fee collection by fiscal year:

Enrollment Fee Collection					
Fiscal Year	Claimed Indirect Cost Rates	Allowable Indirect Cost Rates	Claimed Indirect Costs	Allowable Indirect Costs	Audit Adjustment
1998-99	38.00%	38.00%	\$ 228,279	\$ 14,310	\$ (213,969)
1999-2000	38.00%	38.00%	249,272	16,329	(232,943)
2000-01	38.00%	38.00%	292,607	17,393	(275,214)
2001-02	38.00%	38.00%	287,240	21,188	(266,052)
2002-03	39.00%	39.00%	286,613	20,814	(265,799)
2003-04	39.00%	39.00%	265,261	15,790	(249,471)
2004-05	39.00%	39.00%	268,535	15,344	(253,191)
2005-06	39.00%	39.00%	323,821	18,878	(304,943)
2006-07	29.50%	29.50%	278,251	23,197	(255,054)
2007-08	29.50%	29.50%	404,525	27,114	(377,411)
2008-09	37.04%	37.99%	368,848	35,421	(333,427)
2009-10	39.08%	38.48%	324,465	33,112	(291,353)
2010-11	40.48%	41.63%	297,447	39,518	(257,929)
			<u>\$ 3,875,164</u>	<u>\$ 298,408</u>	<u>\$ (3,576,756)</u>

Enrollment Fee Waivers

The district claimed \$1,567,393 for indirect costs during the audit period related to salaries and benefits claimed for enrollment fee waivers activities. We determined that \$93,556 is allowable and \$1,473,837 is unallowable. We determined that \$10,371 is unallowable because the district incorrectly applied its indirect cost rates to benefits for FY 1998-99 through FY 2005-06, \$579 is understated as a result of miscalculated rates for FY 2008-09 through FY 2010-11, and \$1,464,045 is unallowable due to the unallowable salaries and benefits identified in Findings 1 through 3.

The following table summarizes the claimed, allowable, and audit adjustment amounts for indirect costs related to enrollment fee waivers by fiscal year:

Fiscal Year	Enrollment Fee Waivers				
	Claimed Indirect Cost Rates	Allowable Indirect Cost Rates	Claimed Indirect Costs	Allowable Indirect Costs	Audit Adjustment
1999-2000	38.00%	38.00%	\$ 46,693	\$ 2,584	\$ (44,109)
2000-01	38.00%	38.00%	58,047	2,824	(55,223)
2001-02	38.00%	38.00%	109,402	3,293	(106,109)
2002-03	39.00%	39.00%	105,375	5,417	(99,958)
2003-04	39.00%	39.00%	128,597	5,269	(123,328)
2004-05	39.00%	39.00%	130,435	6,289	(124,146)
2005-06	39.00%	39.00%	183,260	7,873	(175,387)
2006-07	29.50%	29.50%	83,672	8,585	(75,087)
2007-08	29.50%	29.50%	270,254	10,077	(260,177)
2008-09	37.04%	37.99%	215,872	12,774	(203,098)
2009-10	39.08%	38.48%	82,472	12,230	(70,242)
2010-11	40.48%	41.63%	153,314	16,341	(136,973)
			<u>\$ 1,567,393</u>	<u>\$ 93,556</u>	<u>\$ (1,473,837)</u>

The parameters and guidelines (section V.B.–Claim Preparation and Submission–Indirect Costs) state that:

Indirect costs are costs that have been incurred for common or joint purposes. . . . Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, “Cost Principles of Education Institutions”; (2) the rate calculated on State Controller’s Form FAM-29C; or (3) a 7% indirect cost rate.

Recommendation

We recommend that the district ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

District’s Response

The draft audit report states that the District claimed indirect costs of \$3,875,164, for the enrollment fee collection component and \$1,567,393, for the enrollment fee waiver component, of which \$298,408, and \$93,556, is allowable, respectively. For the thirteen years included in the audit period, the indirect cost percentage rate was adjusted for three years only, and then was modified by only .60% to 1.15% percent. Therefore, most of the disallowed indirect costs derive from the disallowed direct costs from the first three audit findings.

Another source of difference in the calculation from year-to-year is the Controller's inconsistent policy regarding whether the indirect cost rate should be based on total direct costs, or salary and benefits, or just salaries, and then whether the rate so determined should be applied to the same amounts. During the audit period, the Controller's policy changed three times.

The audit report does not state that the District’s calculations are unreasonable, just that they aren't the same choice of methods as the

Controller's policies and claiming instructions. There are no regulations or pertinent generally mandated methods for the calculation, so it is a matter of professional judgment. The minor difference of about 1% between the claimed amounts and audit results for the last three fiscal years indicates that District calculations are reasonable. However, I am told that this is a statewide audit issue included in dozens of other incorrect reduction claims already filed that will have to be resolved by decision of the Commission on State Mandates.

SCO's Comment

The finding and recommendation remains unchanged.

The district is correct in stating that most of the unallowable indirect costs relate to unallowable direct costs from the first three audit findings. The district's statement that "During the audit period, the Controller's policy changed three times" is not supported, as the district is not specifying what SCO policy changed and when. Instead, the district makes a general argument about the calculation of indirect costs and the application of those costs to the same base upon which the rate was determined without providing any specifics.

The district also states in its response that "There are no regulations or pertinent generally mandated methods for the calculation, so it is a matter of professional judgment." We disagree. The parameters and guidelines (Section V.B – Claim Preparation and Submission – Indirect Cost Rates) states that "community colleges have the option of using (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate." If the district is going to calculate its indirect cost rate using one of the first two options prescribed by the parameters and guidelines, which it did, then the district must follow the applicable instructions provided for each methodology to calculate and apply its rates.

During the audit period, the district used a federally approved OMB A-21 indirect cost rate for the first 10 years of the audit period. As noted in the audit report, the district did not properly apply the federally approved rate to the correct base for the first eight years of the audit period. For the last three years of the audit period, the district used the SCO's FAM-29C methodology to claim indirect costs. As noted in the audit report, the rates were misstated by minor amounts.

FINDING 5— Misstated offsetting reimbursements

The district claimed offsetting reimbursements totaling \$1,152,929 for enrollment fee collection and \$3,266,094 for enrollment fee waivers. We determined that offsetting reimbursements were misstated by \$50,021 (overstated by \$157,281 and understated by \$207,302) for enrollment fee collection and overstated by \$2,891,301 for enrollment fee waivers. The offsetting reimbursements were misstated because the district did not report the correct amounts that it received from the California Community Colleges Chancellor's Office (CCCCO) for enrollment fee collection or enrollment fee waivers in any fiscal year of the audit period.

Enrollment Fee Collection

For the audit period, the district claimed offsetting reimbursements for enrollment fee collection related to the offset of two percent of revenues from enrollment fees. We obtained a report from the CCCCCO confirming enrollment fee collection offsets paid to the district totaling \$2,030,411 during the audit period.

We limited offsetting reimbursements received by the district to allowable direct and indirect costs. Allowable direct and indirect costs applicable for the audit period related to enrollment fee collection activities totaled \$1,202,950; therefore, this amount represents offsets applicable to the audit period. The district claimed \$1,152,929. Consequently, the district misstated offsetting reimbursements by \$50,021 (overstated by \$157,281 and understated by \$207,302).

The following table summarizes the misstated enrollment fee collection offsetting reimbursements by fiscal year:

Enrollment Fee Collection Offsets					
Fiscal Year	Allowable Direct and Related Indirect Costs (A)	Offsets Claimed (B)	Actual Offsets Confirmed by the CCCCCO (C)	Offset Applicable to Audit (D)	Audit Adjustment (E) = (D-B)
1998-99	\$ 58,982	\$ (42,803)	\$ (104,798)	\$ (58,982)	\$ (16,179)
1999-2000	67,309	(42,290)	(98,797)	(67,309)	(25,019)
2000-01	71,721	(45,177)	(101,151)	(71,721)	(26,544)
2001-02	87,393	(37,750)	(101,363)	(87,393)	(49,643)
2002-03	87,243	(61,633)	(103,807)	(87,243)	(25,610)
2003-04	71,534	(66,553)	(146,275)	(71,534)	(4,981)
2004-05	69,799	(115,845)	(208,301)	(69,799)	46,046
2005-06	85,847	(118,851)	(211,464)	(85,847)	33,004
2006-07	101,830	(133,267)	(196,898)	(101,830)	31,437
2007-08	119,026	(102,049)	(179,722)	(119,026)	(16,977)
2008-09	128,659	(97,611)	(183,181)	(128,659)	(31,048)
2009-10	119,162	(107,861)	(213,415)	(119,162)	(11,301)
2010-11	134,445	(181,239)	(181,239)	(134,445)	46,794
Total	<u>\$ 1,202,950</u>	<u>\$ (1,152,929)</u>	<u>\$ (2,030,411)</u>	<u>\$ (1,202,950)</u>	<u>\$ (50,021)</u>

Consequently, the unused portion of offsetting reimbursements related to enrollment fee collection costs total \$827,461 as follows:

Fiscal Year	Actual Offsets Confirmed by the CCCCCO (A)	Offset Applicable to Audit (B)	Unused Portion of Offsets (A-B)
1998-99	\$ (104,798)	\$ (58,982)	\$ (45,816)
1999-2000	(98,797)	(67,309)	(31,488)
2000-01	(101,151)	(71,721)	(29,430)
2001-02	(101,363)	(87,393)	(13,970)
2002-03	(103,807)	(87,243)	(16,564)
2003-04	(146,275)	(71,534)	(74,741)
2004-05	(208,301)	(69,799)	(138,502)
2005-06	(211,464)	(85,847)	(125,617)
2006-07	(196,898)	(101,830)	(95,068)
2007-08	(179,722)	(119,026)	(60,696)
2008-09	(183,181)	(128,659)	(54,522)
2009-10	(213,415)	(119,162)	(94,253)
2010-11	(181,239)	(134,445)	(46,794)
Total	\$ (2,030,411)	\$ (1,202,950)	\$ (827,461)

Enrollment Fee Waivers

For the audit period, the district claimed offsetting reimbursements for enrollment fee waivers related to 7% or 2% of the enrollment fees waived and \$0.91 per credit unit waived. We obtained a report from the CCCCCO confirming enrollment fee waivers offsets paid to the district totaling \$3,272,412 for the audit period. We also limited offsetting reimbursements received by the district to allowable direct and indirect costs. Allowable direct and indirect costs applicable to the audit period related to enrollment fee waivers activities totaled \$374,793; therefore, this amount represents offsets applicable to the audit period. The district claimed \$3,266,094. Consequently, the district overstated allowable enrollment fee waiver offsets by \$2,891,301 as follows:

Enrollment Fee Waivers Offsets					
Fiscal Year	Allowable Direct and Related Indirect Costs (A)	Offsets Claimed (B)	Actual Offsets Confirmed by the CCCCCO (C)	Offset Applicable to Audit (D)	Audit Adjustment (E) = (D-B)
1999-2000	\$ 10,650	\$ (122,875)	\$ (167,427)	\$ (10,650)	\$ 112,225
2000-01	11,644	(152,757)	(195,660)	(11,644)	141,113
2001-02	13,582	(224,630)	(188,560)	(13,582)	211,048
2002-03	22,707	(239,124)	(233,423)	(22,707)	216,417
2003-04	23,869	(266,303)	(235,375)	(23,869)	242,434
2004-05	28,608	(334,447)	(320,728)	(28,608)	305,839
2005-06	35,802	(341,804)	(302,933)	(35,802)	306,002
2006-07	37,688	(283,631)	(331,893)	(37,688)	245,943
2007-08	44,236	(335,172)	(307,226)	(44,236)	290,936
2008-09	46,399	(269,459)	(293,765)	(46,399)	223,060
2009-10	44,013	(211,032)	(328,651)	(44,013)	167,019
2010-11	55,595	(484,860)	(366,771)	(55,595)	429,265
Total	\$ 374,793	\$ (3,266,094)	\$ (3,272,412)	\$ (374,793)	\$ 2,891,301

Consequently, the unused portion of offsetting reimbursements related to enrollment fee waivers costs total \$2,897,619 as follows:

Fiscal Year	Actual Offsets Confirmed by the CCCCO (A)	Offset Applicable to Audit (B)	Unused Portion of Offsets (A-B)
1999-2000	\$ (167,427)	(10,650)	\$ (156,777)
2000-01	(195,660)	(11,644)	(184,016)
2001-02	(188,560)	(13,582)	(174,978)
2002-03	(233,423)	(22,707)	(210,716)
2003-04	(235,375)	(23,869)	(211,506)
2004-05	(320,728)	(28,608)	(292,120)
2005-06	(302,933)	(35,802)	(267,131)
2006-07	(331,893)	(37,688)	(294,205)
2007-08	(307,226)	(44,236)	(262,990)
2008-09	(293,765)	(46,399)	(247,366)
2009-10	(328,651)	(44,013)	(284,638)
2010-11	(366,771)	(55,595)	(311,176)
Total	\$ (3,272,412)	\$ (374,793)	\$ (2,897,619)

The parameters and guidelines (section VII-Offsetting Savings and Reimbursements state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including, but not limited to services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

Enrollment Fee Collection Program:

The cost of the Enrollment Fee Collection program are subject to an offset of two percent (2%) of the revenue from enrollment fees (Ed. Code, 76000, subd.(c))

Enrollment Fee Waiver Program:

The costs of the Enrollment Fee Waiver program are subject to the following offsets:

July 1, 1999 to July 4, 2000:

- For low income students² or recipients of public assistance³, or dependents or surviving spouses of National Guard soldiers killed in the line of duty⁴ as defined:
 - an offset identified in Education Code section 76300, subdivision (m), that requires the community college Board of Governors, from funds in the annual budget act, to allocated to community college two percent (2%) of the fees waived, under subdivision (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined] of section 76300; and

- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined), or dependents or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived:
 - from funds provided in the annual State Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to seven (7%) of the fee waivers provided, pursuant to subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and 9h0 [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined].⁵

Beginning July 5, 2000:

- For low-income students (as defined), or recipient of public assistance (as defined) or dependent or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived (as defined):
 - an offset identified in Education Code section 76300, subdivision (m), that requires the Community College Board of Governors, from funds in the annual budget act, to allocate to community colleges two (2%) of the fees waived, under subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents of California National Guard soldiers killed in the line of duty as defined] of section 76300;
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined) for whom fees are waived:
 - requires the Board of Governors to allocate from funds in the annual State Budget Act ninety-one cents (\$0.91) per credit unit waived pursuant to subdivisions (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or California National Guard soldiers killed in the line of duty as defined].
- Any budget augmentation received under the Board Financial Assistance Program Administrative Allowance, or any other state budget augmentation received for administering the fee waiver program.

Note – Footnotes 2 through 5 are included in the parameters and guidelines to provide additional clarification.

Recommendation

We recommend that the district report the applicable offsetting reimbursements for the Enrollment Fee Collection and Waivers Program on its mandated cost claims based on information provided by the CCCCCO.

District's Response

The draft audit report states that the District understated offsetting reimbursements by \$50,021 for the enrollment fee collection cost component, and overstated by \$2,891,301 for the enrollment fee waiver cost component.

The offsetting amounts are not actually "reimbursements," rather they are funds provided by the state to implement the program and are based on statutory rates and not actual cost. The offsetting revenues identified in the parameters and guidelines (Part VII) are of three types: the enrollment fee collection 2% administrative offset for all fiscal years, the enrollment fee waiver 2% BFAP allocation beginning FY 2000-01, and the \$.91 per unit waived BFAP-SFAA allocation beginning FY 2000-01 (7% for FY 1999-00 only). The audited offsetting revenue data is based on information obtained by the auditor from the Chancellor's Office developed after the end of each fiscal year. The District and other claimants at the time the annual claims are prepared must calculate the amounts based on contemporaneous enrollment information, which would be a continuing source of minor differences.

However, the differences here are not minor. The magnitude of the offsetting revenue adjustment results from the magnitude of the disallowed activity costs in Findings 1 through 4, since the offset cannot exceed the reimbursable cost. As the amount of audited cost decreases, there is a corresponding decrease in applicable offsetting revenues. For the enrollment fee collection component, the audited offset exceeds the program cost by \$631,892. For the enrollment fee waiver component, the offset exceeds the audited program cost by \$2,897,619. If the approved program costs increases, these offsetting revenue differences will decrease in the same amount.

The District concurs and complied with the auditor's recommendation that claimants should report the revenue sources identified in the parameters and guidelines as an offset to the program costs. The District reported amounts based on information available at the time of claim preparation. There is no dispute of the audited amounts at this time.

SCO's Comment

The recommendation remains unchanged.

Subsequent to the issuance of the draft audit report, we corrected the total shown in the table at the top of page 41 in that report from \$(631,892) to \$(827,461). Therefore, we corrected the audit report to state that "the unused portion of offsetting reimbursements related to enrollment fee collection costs total \$827,461". . . This change did not affect any of the allowable and audit adjustment amounts shown in Schedule 1--Summary of Program Costs.

**FINDING 6—
Overstated productive
hourly rates for
Calculating and
Collecting Enrollment
Fees and Waiving
Student Fees cost
component**

For the audit period, the district calculated average productive hourly rates separately for employees involved in calculating and collecting enrollment fees (Activities 1 through 6) and for employees involved in waiving student fees (Activities 7 through 12). However, the district overstated the average productive hourly rates in its claims for the audit period.

The district calculated its average productive hourly rates using a straight average methodology, including staff in its calculations that did not perform the reimbursable activities and excluding some staff that did perform the reimbursable activities. In addition, the district did not weigh the involvement of the various employee classifications that performed the reimbursable activities. Instead, all employee classifications were weighted at the same level, as if they all performed the reimbursable activities to the same extent. For example, by calculating average productive hourly rates using a straight average methodology, the involvement of Supervisors was weighted at the same level as district staff that actually performed the bulk of the reimbursable activities.

We provided the district an opportunity to revisit the average productive hourly rates to appropriately reflect the weight of involvement for the various employee classifications that performed the reimbursable activities. However, the District Director of Fiscal Affairs objected to revisiting the claimed average productive hourly rates or providing a complete list of all staff that worked for the Admissions and Records Office, Bursar's Office, and the Financial Aid Office during the audit period. The district did not provide any additional support (e.g., staffing requirements) or guidance (e.g., weight of involvement of various employee classifications) regarding the conduct of the reimbursable activities at the different colleges throughout the audit period.

Therefore, we calculated weighted average rates based on the supporting documentation for the productive hourly rates used in the district's claims. We recalculated average productive hourly rates separately for the Admissions and Records Office and in the Bursar's Office staff and for the Financial Aid Office staff, basing our recalculations on the actual employee classifications involved in performing the reimbursable activities within each department and their level of effort. The level of effort spent by the various employee classifications was based on our discussions with district staff concerning procedures in place to conduct the reimbursable activities along with our observations of district staff performing the reimbursable activities.

Enrollment Fee Collection – Calculating and Collecting Student Enrollment Fees (Activities 1 through 6)

As noted above, the district's average productive hourly rates for Calculating and Collecting Student Enrollment Fees included staff that did not perform the reimbursable activities (staff employed in the Financial Aid Office) and excluded staff that did perform the reimbursable activities. We determined that the staff excluded was employees that did not receive a time survey form. In addition, the district did not weigh the average rates by employee classification.

Instead, all employee classifications were weighted at the same level as if they performed the reimbursable activities to the same extent.

We accepted the rates that the district claimed per staff and made minor changes to the claimed rates when the supporting documentation showed different information than what was claimed. We excluded staff that did not perform the reimbursable activities for Calculating and Collecting Enrollment Fees Based on our observations of the reimbursable activities being performed; we determined the following level of involvement by district staff to perform the reimbursable activities:

- Student Hourly Staff – 45%
- Classified Salaried Staff – 50%
- Supervisory Staff – 5%

We provided the district with our analysis and attempted to engage in a dialogue with them in an effort to advise us of any issues involving the weight of involvement percentages that we calculated, in addition to any variances in the level of effort for the different colleges in the district and/or the different years during the audit period. However, the district declined to comment on our analysis or provide any additional information.

The following table summarizes the changes that we made to average productive hourly rates for enrollment fee collection activities by fiscal year:

Fiscal Year	Enrollment Fee Collections		
	Claimed	Audited	Audit Adjustment
	Average	Average	
	Productive	Productive	
Hourly	Hourly		
	Rate	Rate	
1998-99	\$ 20.72	\$ 15.06	\$ (5.66)
1999-2000	22.65	17.23	(5.42)
2000-01	24.19	18.71	(5.48)
2001-02	23.42	18.16	(5.26)
2002-03	24.34	19.30	(5.04)
2003-04	24.45	18.75	(5.70)
2004-05	24.29	19.37	(4.92)
2005-06	29.78	24.33	(5.45)
2006-07	32.72	28.53	(4.19)
2007-08	36.61	28.51	(8.10)
2008-09	35.28	29.20	(6.08)
2009-10	37.45	27.02	(10.43)
2010-11	39.43	27.93	(11.50)

Enrollment Fee Waivers–Waiving Student Fees (Activities 7 through 12)

The district's average productive hourly rates for Waiving Student Fees also included staff that did not perform the reimbursable activities (staff employed in the Admissions and Records and Bursar's Office) and excluded staff that did perform the reimbursable activities. We determined that the staff excluded was those who did not receive a time survey form. In addition, the district did not weigh the average rate by employee classification. Instead, all employee classifications were weighted at the same level as if they performed the reimbursable activities to the same extent.

We also accepted the rates that the district claimed per staff and made minor changes to the claimed rates when the supporting documentation showed different information than what was claimed. We excluded staff that did not perform the Waiving Student Fees activities and we applied the same level of involvement as we did for collecting enrollment fees (45% for the Student Hourly staff classification, 50% for the Classified Salary classification, and 5% for the Supervisory classification. We provided the district our analysis and attempted to engage in a dialogue with them in an effort to advise us of any issues involving the weight of involvement percentages that we calculated, in addition to any variances in the level of effort for the different colleges in the district and/or the different years during the audit period. However, the district declined to comment on our analysis or provide any additional information.

The district's claims did not include any Student Hourly staff in its claims for the Waiving Student Fees costs component. The Financial Aid Director explained that the Student Hourly staff was not given the time survey forms distributed by the district's mandated cost consultant, although they perform the bulk of the reimbursable activities. The district also indicated that salaries for Student Hourly staff are paid out of a work study program (Federal program) and out of Board Financial Assistance Program (B-FAP funds). The district did not provide any additional support for the Student Hourly staff that worked in the Financial Aid Department and performed the reimbursable activities included in the Waiving Student Fees costs component.

We also noted that salary and benefit information for the current Director of Financial Aid was used in the calculation of the average productive rate for the entire audit period. However, the current Director of Financial Aid was not the Director for the entire audit period. Therefore, rates claimed for the Director of Financial Aid classification were understated. The district provided actual salaries, benefits, and productive hours worked information for the Directors employed by the district during the period of FY 1998 through FY 2007-08. We made adjustments to the productive hourly rate calculations accordingly.

The following table summarizes the changes that we made to average productive hourly rates for enrollment fee waivers activities by fiscal year:

Fiscal Year	Enrollment Fee Waivers		
	Claimed	Audited	
	Average	Average	
	Productive	Productive	Audit
	Hourly	Hourly	Adjustment
	Rate	Rate	
1999-2000	\$ 20.13	\$ 12.41	\$ (7.72)
2000-01	23.45	13.51	(9.94)
2001-02	24.48	14.38	(10.10)
2002-03	24.36	14.98	(9.38)
2003-04	24.94	15.54	(9.40)
2004-05	24.17	17.00	(7.17)
2005-06	29.91	21.16	(8.75)
2006-07	31.93	21.91	(10.02)
2007-08	38.05	25.16	(12.89)
2008-09	39.52	25.75	(13.77)
2009-10	35.61	22.47	(13.14)
2010-11	39.09	25.95	(13.14)

The parameters and guidelines (section V–Claim Preparation and Submission–Direct Cost Reporting–Salaries and Benefits) state that, for salaries and benefits, claimants are required to:

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the reimbursable activities performed and the hours devoted to each reimbursable activity performed.

The SCO's claiming instructions state that one of three options may be used to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800 annual productive hours for all employees. (The 1,800 annual productive hours excludes time for paid holidays, vacation earned, sick leave taken, informal time off, jury duty, and military leave taken.)

Recommendation

We recommend that the district ensure that productive hourly rates are calculated in accordance with the guidance provided in the SCO's claiming instructions.

District's Response

The draft audit report concludes that the District erred by not weighting the productive hourly rates for the twelve program activities. The auditor's weighting method resulted in a reduction of about one-third in the claimed average productive hourly rate for most activities. The District calculated its average productive hourly rates using a straight average methodology. The District did not weight the involvement of the various employee classifications that performed the reimbursable activities. The auditor requested that the District provide support or rebuttal for the auditor's weighted averages. The District declined since there is no requirement in the parameters and guidelines to use weighted productive hourly rates and no factual basis to do so was provided by the auditor.

SCO's Comment

The finding and recommendation remain unchanged.

The district states in its response that "there is no requirement in the parameters and guidelines to use weighted productive hourly rates." It was the district's choice to use an average productive hourly rate calculation, which is a methodology specified in the Controller's claiming instructions. However, the district did not properly follow the guidance contained in the claiming instructions to compute an average productive hourly rate.

The parameters and guidelines (Section V.A.1 – Claim Preparation and Submission – Salaries and Benefits) states that claimants must

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the reimbursable activities performed and the hours devoted to each reimbursable activity performed.

To comply with this requirement, the district must provide information for "each employee implementing the reimbursable activities." However, the district did not provide total wages and benefits and productive hours information for all of the employees who performed the reimbursable activities.

Furthermore, the district did not "describe the reimbursable activities performed by each employee or the number of hours devoted to each reimbursable activity performed." Instead, the district calculated straight average productive hourly rates for "Enrollment Office Staff" and "Financial Aid Office Staff," multiplied those rates by the time increments estimated by district staff for each reimbursable activity, and multiplied the total by the number of transactions with students (multiplier).

The requirement in the parameters and guidelines to describe "the hours devoted to each reimbursable activity" recognizes that employees do not perform the reimbursable activities equally. Accordingly, this methodology to claim costs takes into account the weight of involvement

in the reimbursable activities by various employee classifications. The Controller's claiming instructions also recognizes the weight of involvement of employees in its guidance for computing average productive hourly rates.

Instead, the district used a straight average methodology, as if all "Enrollment Office Staff" and "Financial Aid Office Staff" performed the reimbursable activities to the same extent. That is not a reasonable conclusion, which is why we made adjustments to the district's average productive hourly rate calculations.

**Other Issue—
Public records
request**

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

District's Response

The District requests that the Controller provide the District any and all written instructions, memoranda, or other writings applicable to the audit procedures and findings.

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

SCO's Comment

The SCO will respond to the district's request separately from this report.

**Other Issue—
General comment**

The district's response included comments related to the conduct of the audit.

District's Response

The entirety of the amounts claimed for reimbursement for each fiscal year have been disallowed by the audit. An audit appeal will be needed since most of the adjustments are based on Controller audit policies the propriety of which can only be determined by appeal to the Commission on State Mandates. The District's incorrect reduction claim will be submitted to the Commission after we receive the final audit report.

The draft audit report states that the District's mandate consultant and the District management advised program staff not to discuss the auditor's methods and findings. This decision was based on our consultant's previous experience with these types of audits and audit procedures as well as District management's conclusion early into the audit that there could be no productive discussion concerning the auditor's documentation standards or choice of methods, all of which

have been utilized on other audits of this mandate program at other community college districts. The standards and methods are Controller policy not subject to individual auditor discretion. These audit policies are a matter of statewide concern that can only be resolved by an incorrect reduction claim and decision by the Commission on State Mandates. However, District did respond to documentation requests whenever possible.

SCO's Comment

An external mandated cost consultant prepared the district's mandate claims for the audit period. Throughout audit fieldwork, the consultant did not provide any actual source documentation for the time required to perform any of the reimbursable activities included in the district's claims. We attempted to work with representatives of the district to the maximum extent possible during the course of the audit. As noted in the draft audit report and acknowledged by the district in its response to that report, the district's mandated cost consultant and district management advised district staff not to discuss any of the auditor's methods and findings with us. The district also acknowledges in its response their conclusion during the early stages of the audit that "there could be no productive discussion concerning the auditor's documentation standards or choice of methods." However, we believe that a number of the issues contained in our audit report could have been adequately addressed had district representatives engaged with us during the course of the audit. Instead, the district acknowledges its decision to file an incorrect reduction claim with the CSM subsequent to the issuance of our audit report rather than engage in substantive discussions with us.

Our audit was performed under generally accepted government auditing standards. Those standards require that we obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions within the context of the audit objectives. Therefore, our audit findings and conclusions are based on the audit evidence that we obtained during the fieldwork phase of the audit with minimal input from district representatives. Our audit process also includes obtaining an understanding of the claimant's policies and procedures that were followed to perform the reimbursable activities. Therefore, we believe that our audit results are based on sufficient and appropriate evidence.

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



NORTH ORANGE COUNTY
COMMUNITY COLLEGE DISTRICT

FRED WILLIAMS
*Vice Chancellor
Finance & Facilities*

NED DOFFONEY, Ed.D.
Chancellor

July 23, 2013

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

Re: Enrollment Fee Collection and Waivers
FY 1998-99 through FY 2010-11
North Orange County Community College District

Dear Mr. Spano:

This letter is the response of the North Orange County Community College District to the draft audit report dated July 12, 2013, for the above referenced program and fiscal years transmitted by the letter from Jeffrey V. Brownfield, Chief, Division of Audits, State Controller's Office.

The entirety of the amounts claimed for reimbursement for each fiscal year have been disallowed by the audit. An audit appeal will be needed since most of the adjustments are based on Controller audit policies the propriety of which can only be determined by appeal to the Commission on State Mandates. The District's incorrect reduction claim will be submitted to the Commission after we receive the final audit report.

The draft audit report states that the District's mandate consultant and the District management advised program staff not to discuss the auditor's methods and findings. This decision was based on our consultant's previous experience with these types of audits and audit procedures as well as District management's conclusion early into the audit that there could be no productive discussion concerning the auditor's documentation standards or choice of methods, all of which have been utilized on other audits of this mandate program at other community college districts. The standards and methods are Controller policy not subject to individual auditor discretion. These audit policies are a matter of statewide concern that can only be resolved by an incorrect

reduction claim and decision by the Commission on State Mandates. However, District staff did respond to documentation requests whenever possible.

Finding 1- Enrollment Fee Collection- Calculating and Collecting Enrollment Fees

The draft audit report states that the district claimed \$10,560,754 in salaries and benefits for the staff time to calculate and collect enrollment fees, of which \$873,378 is allowable and \$9,687,376 is unallowable. The costs are disallowed for several reasons because the audit:

- rejects the District calculation of the average staff time required to perform the reimbursable activities and substitutes the auditor's own time-study;
- rejects the enrollment data reported by the District and substitutes the enrollment data the auditor obtained from the California Community College Chancellor's Office (CCCCO);
- removes from the workload calculation the number of students who paid their enrollment fees online rather than in person: and,
- adjusts the average staff salary and benefit amounts used to calculate the productive hourly rates.

A. Average activity time

For the six activities in the Enrollment Fee Collection (EFC) cost component, district staff implementing the mandate individually reported an average time in minutes to perform each activity using forms provided by our mandate consultant. These certified good faith estimates were averaged for similar job positions to establish one average time for each activity. The total of the average times for the six activities ranged from 26.50 to 40.40 minutes over the audit period. These times are multiplied by relevant enrollment or other workload statistics and then multiplied by relevant staff productive hourly rates.

The draft audit concludes that these good faith estimates are not acceptable "source documentation" of "actual costs" and rejects the time estimates for four of the six activities. The audited total of the average times for the six activities ranges from 13.66 to 15.26 minutes over the audit period. This is the major source of the cost adjustment. The audit "time study" for the four activities is based on observing some of the enrollment fee collection process in the Bursar's Office. The auditor observed 178 transactions, of which 78 involved payment of enrollment fees. By comparison, the District reported about one million enrollment fee collection transactions for the audit period. For this reason, and many others, the auditor's observation process does not constitute a representative "time study" sample.

For the remaining two activities (5 and 6), which were not observed by the auditor, the average times were accepted by the auditor.

B. Workload multipliers

The average staff time for each activity is multiplied by a specific workload factor for each activity to determine the claimable staff time. Both the District and the auditor used this method. For four of the activities the workload multipliers rely upon enrollment statistics with relevant adjustments. As a matter of Controller policy, the audit utilized data obtained from the Chancellor's Office which the auditor modified for different categories of special admission students. Thus, there was no point for the District to dispute the findings since they are a matter of policy and not subject to individual auditor discretion. This is a matter of statewide concern that can only be resolved by an incorrect reduction claim.

There is the related workload multiplier issue of the number of "online" (internet or phone) transactions. When this program became a mandate in FY 1998-99, there was no significant online activity, and so was not factored into the annual claims. However, District data processing staff was able to provide a reasonable estimate of the percentage of online transactions retroactive to FY 2001-02, when the Banner System was established. We also stipulated to a percentage for years prior to FY 2001-02. However, the audit does not include any replacement costs for the online fee collection process in mitigation of this adjustment.

The workload multipliers were accepted by the auditor for the remaining two activities (5 and 6).

C. Productive hourly rates

The salary and benefits productive hourly rate is multiplied by the product of the average staff time per activity and relevant workload multiplier. The draft audit concludes that the District overstated the productive hourly rates because the District did not weight the average rates for each activity. This is discussed at Finding 6.

D. Legal basis for the adjustments

The draft audit report states that the legal basis for these adjustments is the documentation standard contained in the mandate program parameters and guidelines:

"The program's parameters and guidelines (section IV--Reimbursable Activities) state 'To be eligible for mandated cost reimbursement, only actual costs may be claimed. Actual costs are those costs actually

incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records, time logs, sign-in sheets, invoices, and receipts.' ”

Thus, the nature and quality of the source documents, as perceived by the auditor, are the stated legal basis for disallowing the District time estimates, workload statistics, and productive hourly rates. It should be remembered that the parameters and guidelines were adopted January 26, 2006, which is seven years after the first fiscal year in the audit period. Regardless, by substituting its own time study for four of the activities, the Controller is validating the concept of using average times as an acceptable method for the calculation of the mandate costs. The difference becomes one of fact, how much time to allow for each activity. Also, by accepting the District's reported time and workload statistics for the remaining two activities, the Controller is validating the District's good faith method and the mandate consultant's forms as an acceptable method for estimating average time.

Finding 2- Enrollment Fee Waivers- Procedures, Recording and Maintaining Records

The draft audit report states that the district claimed \$18,125 in salaries and benefits for the staff cost to adopt procedures, recording, and maintaining waiver records and statistics, of which \$8,591 is allowable and \$9,534 is unallowable. All of the amounts reported by the District for FY 1999-00 through FY 2009-10 were approved. The costs reported for FY 2010-11 were substantially disallowed because staff time was included for activities not related to the mandate. The District does not dispute this adjustment at this time.

Finding 3- Enrollment Fee Waivers-BOGG Waiver Process

The draft audit report states that the District claimed \$4,285,990 in salaries and benefits for the staff cost of approving or denying BOGG enrollment fee waivers, of which \$236,628 is allowable and \$4,049,361 is unallowable. This cost component is calculated in the same manner as the Enrollment Fee Collection cost component and the costs are disallowed for same reasons: average staff time required to perform the reimbursable activities; enrollment data and other workload multipliers; online transactions; and, weighted productive hourly rates.

Regarding the average activity times, the District claimed average times for the six activities ranging from 27.00 to 60.80 minutes over the audit period. The draft audit rejects the time estimates for all six activities. The audited total of the average times for the six activities is 2.6 minutes for all fiscal years. This is the

major source of the cost adjustment. The audit "time study" for the activities is based on observing 225 enrollment fee waiver process transactions in the Financial Aid Office. By comparison, the District reported about 275,000 transactions for the audit period.

For five of the six activities the workload multipliers rely upon enrollment statistics with relevant adjustment. As a matter of Controller policy, the auditor utilized data obtained from the Chancellor's Office. For the sixth activity, appeals of denied waivers, the audit concludes that this activity was not performed, and disallows the workload multiplier reported by the District. The District believes the disallowance of the sixth component is a matter of interpretation that can only be resolved by appeal to the Commission.

Adjustments similar to those made for the enrollment fee collection cost component were also made here for the percentage of online transactions and the productive hourly rates. All of these issues are a subject for the appeal.

Finding 4 - Unallowable Indirect Costs

The draft audit report states that the District claimed indirect costs of \$3,875,164, for the enrollment fee collection component and \$1,567,393, for the enrollment fee waiver component, of which \$298,408, and \$93,556, is allowable, respectively. For the thirteen years included in the audit period, the indirect cost percentage rate was adjusted for three years only, and then was modified by only .60% to 1.15% percent. Therefore, most of the disallowed indirect costs derive from the disallowed direct costs from the first three audit findings.

Another source of difference in the calculation from year-to-year is the Controller's inconsistent policy regarding whether the indirect cost rate should be based on total direct costs, or salary and benefits, or just salaries, and then whether the rate so determined should be applied to the same amounts. During the audit period, the Controller's policy changed three times.

The audit report does not state that the District's calculations are unreasonable, just that they aren't the same choice of methods as the Controller's policies and claiming instructions. There are no regulations or pertinent generally mandated methods for the calculation, so it is a matter of professional judgment. The minor difference of about 1% between the claimed amounts and audit results for the last three fiscal years indicates that District calculations are reasonable. However, I am told that this is a statewide audit issue included in dozens of other incorrect reduction claims already filed that will have to be resolved by decision of the Commission on State Mandates.

Finding 5 - Misstated offsetting reimbursement

The draft audit report states that the District understated offsetting reimbursements by \$50,021 for the enrollment fee collection cost component, and overstated by \$2,891,301 for the enrollment fee waiver cost component.

The offsetting amounts are not actually "reimbursements," rather they are funds provided by the state to implement the program and are based on statutory rates and not actual cost. The offsetting revenues identified in the parameters and guidelines (Part VII) are of three types: the enrollment fee collection 2% administrative offset for all fiscal years, the enrollment fee waiver 2% BFAP allocation beginning FY 2000-01, and the \$.91 per unit waived BFAP-SFAA allocation beginning FY 2000-01 (7% for FY 1999-00 only). The audited offsetting revenue data is based on information obtained by the auditor from the Chancellor's Office developed after the end of each fiscal year. The District and other claimants at the time the annual claims are prepared must calculate the amounts based on contemporaneous enrollment information, which would be a continuing source of minor differences.

However, the differences here are not minor. The magnitude of the offsetting revenue adjustment results from the magnitude of the disallowed activity costs in Findings 1 through 4, since the offset cannot exceed the reimbursable cost. As the amount of audited cost decreases, there is a corresponding decrease in applicable offsetting revenues. For the enrollment fee collection component, the audited offset exceeds the program cost by \$631,892. For the enrollment fee waiver component, the offset exceeds the audited program cost by \$2,897,619. If the approved program costs increases, these offsetting revenue differences will decrease in the same amount.

The District concurs and complied with the auditor's recommendation that claimants should report the revenue sources identified in the parameters and guidelines as an offset to the program costs. The District reported amounts based on information available at the time of claim preparation. There is no dispute of the audited amounts at this time.

Finding 6- Overstated productive hourly rates

The draft audit report concludes that the District erred by not weighting the productive hourly rates for the twelve program activities. The auditor's weighting method resulted in a reduction of about one-third in the claimed average productive hourly rate for most activities. The District calculated its average productive hourly rates using a straight average methodology. The District did not weight the involvement of the various employee classifications that performed the reimbursable activities. The auditor requested that the District provide support or rebuttal for the auditor's weighted averages. The District declined

Mr. Jim Spano

July 23, 2013

since there is no requirement in the parameters and guidelines to use weighted productive hourly rates and no factual basis to do so was provided by the auditor.

Public Records Request

The District requests that the Controller provide the District any and all written instructions, memoranda, or other writings applicable to the audit procedures and findings.

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

Sincerely,



Fred Williams, Vice Chancellor Finance and Facilities
North Orange County Community College District

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