



JOHN CHIANG
California State Controller

April 24, 2008

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

Keith B. Petersen
SixTen and Associates
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

Re: **Incorrect Reduction Claim**
Health Fee Elimination, 05-4206-I-09
North Orange County Community College District, Claimant
Education Code Section 76355
Statutes 1984, Chapter 1, 2nd E.S.; Statutes 1987, Chapter 1118
Fiscal Years 2001-02 and 2002-03

Dear Ms. Higashi and Mr. Petersen:

This letter is in response to the above-entitled Incorrect Reduction Claim. The subject claims were reduced because the District failed to accurately claim authorized health services fees. The reductions were appropriate and in accordance with law.

The Controller's Office is empowered to audit claims for mandated costs and to reduce those that are "excessive or unreasonable."¹ This power has been affirmed in recent cases, such as the Incorrect Reductions Claims (IRCs) for the *Graduation Requirements* mandate.² If the claimant disputes the adjustments made by the Controller pursuant to that power, the burden is upon them to demonstrate that they are entitled to the full amount of the claim. This principle likewise has been upheld in the *Graduation Requirements* line of IRCs.³ See also Evidence Code section 500.⁴

¹ See Government Code section 17561, subdivisions (d)(1)(C) and (d)(2), and section 17564.

² See for example, the Statement of Decision in the Incorrect Reduction Claim of San Diego Unified School District [No. CSM 4435-I-01 and 4435-I-37], adopted September 28, 2000, at page 9.

³ See for example, the Statement of Decision in the Incorrect Reduction Claim of San Diego Unified School District [No. CSM 4435-I-01 and 4435-I-37], adopted September 28, 2000, at page 16.

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In this case, the audit determined that the claimant understated authorized health services fees, confusing collected with authorized. The Parameters and Guidelines provide that offsetting savings shall include the amount authorized for student fees. The relevant amount is not the amount charged, nor the amount collected, rather, it is the amount authorized. This is consistent with mandates law in general, and specific case law on point.⁵ Therefore, these claimed costs are unsupported and thus, disallowed.

The Claimant also attempts to debate the basis for the removal of the fiscal year 2000-01 from the audit. However, any such discussion is inappropriate and beyond the authority of the Commission to entertain. Since no disallowance was made for the fiscal year 2000-01, there is no basis for an Incorrect Reduction Claim for that year. In fact, the claimant only, and appropriately, filed the IRC for the 2000-01 and 2001-02 fiscal years. Since such discussion is beyond the scope of this IRC, the Controller's Office moves to strike line 4 of page 14, through line 1 of page 17, from the IRC filed by the District.

Enclosed please find a complete detailed analysis from our Division of Audits, exhibits, and supporting documentation with declaration.

Sincerely,



SHAWN D. SILVA
Staff Counsel

SDS/ac

Enclosure

cc: Fred Williams, North Orange County Community College District
Ginny Brummels, Div. of Acctg. & Rptg., State Controller's Office (w/o encl.)
Jim Spano, Division of Audits, State Controller's Office (w/o encl.)

⁴ "Except as otherwise provided by law, a party has the burden of proof as to each fact the existence or nonexistence of which is essential to the claim for relief or defense that he is asserting."

⁵ See *Connell v. Santa Margarita Water District* (1997) 59 Cal.App.4th 382, 400-03.

1 **PROOF OF SERVICE**

2 I am employed in the County of Sacramento, State of California. At the time of service, I was at least 18
3 years of age, a United States citizen employed in the county where the mailing occurred, and not a party to the
within action. My business address is 300 Capitol Mall, Suite 1850, Sacramento, CA 95814.

4 On April 25, 2008, I served the foregoing document entitled:

5 **SCO'S RESPONSE TO THE INCORRECT REDUCTION CLAIM FOR**
6 **NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT, CSM 05-4206-I-09**

7 on all interested parties in this action by placing a true and correct copy thereof enclosed in a sealed envelope,
addressed as follows:

8 Paula Higashi (*original*)
9 Executive Director
10 Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Fred Williams, Vice Chancellor
North Orange County Community College District
1830 W. Romneya Drive
Anaheim, CA 92801-1819

11 Keith B. Petersen, President
12 SixTen and Associates
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

13 **BY MAIL**

14 I placed the envelope for collection and processing for mailing following this business's ordinary practice with
15 which I am readily familiar. On the same day correspondence is placed for collection and mailing, it is deposited
in the ordinary course of business with the United States Postal Service.

16 **BY PERSONAL SERVICE**

I caused to be delivered by hand to the above-listed addressees.

17 **BY OVERNIGHT MAIL/COURIER**

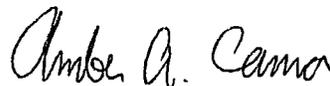
18 To expedite the delivery of the above-named document, said document was sent via overnight courier for next day
delivery to the above-listed party.

19 **BY FACSIMILE TRANSMISSION**

20 In addition to the manner of service indicated above, a copy was sent by facsimile transmission to the above-listed
party.

21 I declare that I am employed in the office of a member of the bar of this court at whose direction the
22 service was made. I declare under penalty of perjury under the laws of California that the foregoing is true and
correct.

23 Executed on April 25, 2008, at Sacramento, California.

24 

25 Amber A. Camarena

**RESPONSE BY THE STATE CONTROLLER'S OFFICE (SCO)
TO THE INCORRECT REDUCTION CLAIM (IRC) BY
NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
Health Fee Elimination Program**

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TAB 1

1 **OFFICE OF THE STATE CONTROLLER**

300 Capitol Mall, Suite 1850

2 Sacramento, CA 94250

3 Telephone No.: (916) 445-6854

4 BEFORE THE

5 COMMISSION ON STATE MANDATES

6 STATE OF CALIFORNIA

9
10 INCORRECT REDUCTION CLAIM ON:

No.: CSM 05-4206-I-09

11 *Health Fee Elimination Program*

AFFIDAVIT OF BUREAU CHIEF

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

14 NORTH ORANGE COUNTY COMMUNITY
15 COLLEGE DISTRICT,
Claimant

16 I, Jim L. Spano, make the following declarations:

- 17 1) I am an employee of the State Controller's Office (SCO) and am over the age of 18
18 years.
- 19 2) I am currently employed as a bureau chief, and have been so since April 21, 2000.
- 20 3) I am a California Certified Public Accountant.
- 21 4) I reviewed the work performed by the SCO auditor.
- 22 5) Any attached copies of records are true copies of records, as provided by the North
23 Orange County Community College District or retained at our place of business.
- 24 6) The records include claims for reimbursement, along with any attached supporting
25 documentation, explanatory letters, or other documents relating to the above-entitled
Incorrect Reduction Claim.

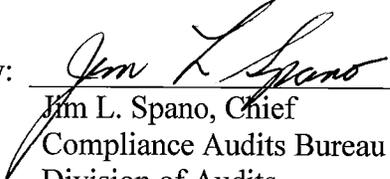
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7) A field audit of the claims for fiscal year (FY) 2000-01, FY 2001-02 and FY 2002-03 commenced on January 26, 2004, and ended on July 22, 2005.

I do declare that the above declarations are made under penalty of perjury and are true and correct to the best of my knowledge, and that such knowledge is based on personal observation, information, or belief.

Date: November 17, 2006

OFFICE OF THE STATE CONTROLLER

By: 
Jim L. Spano, Chief
Compliance Audits Bureau
Division of Audits
State Controller's Office

TAB 2

**STATE CONTROLLER'S OFFICE ANALYSIS AND RESPONSE
TO THE INCORRECT REDUCTION CLAIM BY
NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
For Fiscal Year (FY) 2001-02 and FY 2002-03**

**Health Fee Elimination Program
Chapter 1, Statutes of 1984, 2nd Extraordinary Session,
and Chapter 1118, Statutes of 1987**

SUMMARY

The following is the State Controller's Office's (SCO) response to the Incorrect Reduction Claim that the North Orange County Community College District filed with the Commission on State Mandates (COSM) on September 20, 2005. The SCO audited the district's claims for costs of the legislatively mandated Health Fee Elimination Program for the period of July 1, 2000, through June 30, 2003, and issued the final report on May 6, 2005.

Subsequently, the SCO reissued the final report on July 22, 2005 (**Exhibit D**), to exclude the period of July 1, 2000, through June 30, 2001, and the related audit adjustment. The SCO initiated the audit of the period of July 1, 2000, through June 30, 2001, claim on January 26, 2004, which is after the December 31, 2003, deadline for auditing the claim.

The district submitted reimbursement claims totaling \$792,165 as follows:

- FY 2001-02—\$325,087 (**Exhibit G**)
- FY 2002-03—\$467,078 (**Exhibit G**)

The SCO determined that \$445,583 is allowable and \$346,582 is unallowable. The unallowable costs occurred primarily because the district overstated indirect costs and understated applicable offsetting revenues. The State paid the district \$106,264. The State will pay allowable costs claimed that exceed the amount paid, totaling \$339,319, contingent upon available appropriations. The following table summarizes the audit results.

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments
<u>July 1, 2001, through June 30, 2002</u>			
Salaries	\$ 506,087	\$ 506,087	\$ —
Benefits	112,438	112,438	—
Materials and supplies	38,414	38,414	—
Travel	1,594	1,594	—
Contract services	37,459	37,459	—
Other operating expenses	32,306	32,306	—
Capital outlays	13,960	13,960	—
Total direct costs	742,258	742,258	—
Indirect costs	282,058	235,039	(47,019)
Total health expenditures	1,024,316	977,297	(47,019)
Less offsetting savings/reimbursements	(672,891)	(806,292)	(133,401)
Adjustment for health fees exceeding health expenditures	(26,338)	(26,338)	—
Total program costs	<u>\$ 325,087</u>	144,667	<u>\$ (180,420)</u>
Less amount paid by the State		(106,264)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 38,403</u>	

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>	<u>Audit Adjustments</u>
<u>July 1, 2002, through June 30, 2003</u>			
Salaries	\$ 564,869	\$ 564,869	\$ —
Benefits	144,860	144,860	—
Materials and supplies	41,801	41,801	—
Travel	1,826	1,826	—
Contract services	36,025	36,025	—
Other operating expenses	33,302	33,302	—
Capital outlays	8,268	8,268	—
Total direct costs	830,951	830,951	—
Indirect costs	324,071	276,794	(47,277)
Total health expenditures	1,155,022	1,107,745	(47,277)
Less offsetting savings/reimbursements	(687,944)	(806,829)	(118,885)
Adjustment for health fees exceeding health expenditures	—	—	—
Total program costs	\$ 467,078	300,916	\$ (166,162)
Less amount paid by the State	—	—	—
Allowable costs claimed in excess of (less than) amount paid	—	\$ 300,916	—
<u>Summary: July 1, 2001, through June 30, 2003</u>			
Salaries	\$ 1,070,956	\$ 1,070,956	\$ —
Benefits	257,298	257,298	—
Materials and supplies	80,215	80,215	—
Travel	3,420	3,420	—
Contract services	73,484	73,484	—
Other operating expenses	65,608	65,608	—
Capital outlays	22,228	22,228	—
Total direct costs	1,573,209	1,573,209	—
Less cost of services in excess of base year	—	—	—
Subtotal	1,573,209	1,573,209	—
Indirect costs	606,129	511,833	(94,296)
Total health expenditures	2,179,338	2,085,042	(94,296)
Less offsetting savings/reimbursements	(1,360,835)	(1,613,121)	(252,286)
Adjustment for health fees exceeding health expenditures	(26,338)	(26,338)	—
Total program costs	\$ 792,165	445,583	\$ (346,582)
Less amount paid by the State	—	(106,264)	—
Allowable costs claimed in excess of (less than) amount paid	—	\$ 339,319	—

The district believes that the SCO improperly calculated offsetting health service fee revenues. Furthermore, the district believes that the SCO was not authorized to audit the district's FY 2000-01 claim for a reason other than the expiration of the statute of limitations, as stated in the audit report.

**I. SCO REBUTTAL TO STATEMENT OF DISPUTE—
CLARIFICATION OF REIMBURSABLE ACTIVITIES, CLAIM CRITERIA, AND
DOCUMENTATION REQUIREMENTS**

Parameters and Guidelines

On August 27, 1987, the COSM adopted *Parameters and Guidelines* for Chapter 1, Statutes of 1984, 2nd Extraordinary Session. The COSM amended *Parameters and Guidelines* on May 25, 1989 (**Exhibit B**), because of Chapter 1118, Statutes of 1987.

Parameters and Guidelines (amended May 25, 1989) identifies the scope of the mandate and the reimbursable activities as follows.

V. REIMBURSABLE COSTS

A. Scope of Mandate

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

B. Reimbursable Activities

For each eligible claimant, the following cost items are reimbursable to the extent they were provided by the community college district in fiscal year 1986-87. . . . [see **Exhibit B** for a list of reimbursable items.]

Parameters and Guidelines (amended May 25, 1989) provides the following claim preparation criteria.

VI. CLAIM PREPARATION

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

Claimed costs should be supported by the following information:

1. Employee Salaries and Benefits

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

2. Services and Supplies

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

3. Allowable Overhead Cost

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

Parameters and Guidelines (amended May 25, 1989) defines supporting data as follows.

VII. SUPPORTING DATA

For auditing purposes, all costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs. This would include documentation for the fiscal year 1986-87 program to substantiate a maintenance of effort. These documents must be kept on file by the agency submitting the claim for a period of no less than three years from the date of the final payment of the claim pursuant to this mandate, and made available on the request of the State Controller or his agent.

Parameters and Guidelines (amended May 25, 1989) defines offsetting savings and other reimbursements as follows.

VIII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

Any offsetting savings the claimant experiences as a direct result of this statute must be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, e.g., federal, state, etc., shall be identified and deducted from this claim. This shall include the amount . . . authorized by Education Code Section 72246 for health services [now Education Code Section 76355].

SCO Claiming Instructions

The SCO annually issues mandated costs claiming instructions, which contain filing instructions for mandated cost programs. The September 2002 claiming instructions provide instructions for indirect costs (**Tab 3**). The instructions are consistent with the Health Fee Elimination Claim Summary Instructions, Item (5) (**Tab 4**). The September 2002 indirect cost claiming instructions are believed to be, for the purposes and scope of the audit period, substantially similar to the version extant at the time the district filed its FY 2001-02 and FY 2002-03 mandated cost claims.

II. THE DISTRICT OVERSTATED INDIRECT COSTS

Issue

The district overstated its indirect costs by \$94,296 for the audit period because it improperly applied the indirect cost rate to direct costs of materials and supplies, travel expenses, contract services, capital outlays, and other operating expenses.

SCO Analysis

Parameters and Guidelines allows community college districts to claim indirect costs according to the SCO's claiming instructions (**Tab 3**). The claiming instructions require that districts obtain federal approval of Incorrect Cost Rate Plans (ICRPs) prepared using Office of Management and Budgets (OMB) Circular A-21 methodology. Alternatively, districts may use the SCO's Form FAM-29C to compute indirect cost rates. Form FAM-29C calculates indirect cost rates using total expenditures reported on the *California Community Colleges Annual Financial and Budget Report, Expenditures by Activity (CCFS-311)*. Form FAM-29C eliminates unallowable expenses and segregates the adjusted expenses between those incurred for direct and indirect activities relative to the mandated cost program.

The district claimed indirect costs at a rate of 38% for FY 2001-02 and 39% for FY 2002-03 based on Indirect Cost Negotiation Agreements between the district and the U.S. Department of Health and Human Services (DHHS). The district's indirect cost rates were prepared using OMB Circular A-21 methodology and were applied to direct costs. The approval letters received from DHHS, dated June 12, 1998, and August 12, 2002, stated that the district's indirect cost rates were developed using a base consisting of "Direct salaries and wages including vacation, holiday, sick pay, and other paid absences, but excluding all other fringe benefits." However, during the audit period, the district improperly applied its indirect cost rate to direct costs of materials and supplies, travel expenses, contract services, capital outlays, and other operating expenses.

District's Response

The district does not dispute this adjustment.

III. UNDERSTATED AUTHORIZED HEALTH FEE REVENUES CLAIMED

Issue

The district understated authorized health service fee revenues by \$252,286 for the audit period. The district understated authorized health service fees and reported fees collected rather than fees it was authorized to collect.

The district understated student enrollment and overstated authorized student health service fee exemptions. The district also understated the per-student health service fee amount for FY 2001-02. The district claimed \$8 per student for the summer semester and \$11 per student for the fall 2001 and spring 2002 semesters. However, the authorized fees for the FY 2001-02 school year were \$9 per student for the summer semester and \$12 per student for the fall and spring semesters. The district's claim for FY 2002-03 did not include any enrollment data to substantiate the amount of student health fee revenue claimed.

The district provided student enrollment data for each semester for both Fullerton and Cypress College during the audit period. For FY 2001-02, enrollment data the district provided disclosed differences between claimed and actual net student enrollment of 5,722 students. The auditor used the district's enrollment data to compute the number of students exempt from health fees for all three semesters of the FY 2002-03 school year. The auditor then used computed net enrollment amounts to compute the amount of health fee revenue authorized for that year.

SCO Analysis

Parameters and Guidelines requires districts to deduct authorized health service fees from costs claimed. *Education Code* Section 76355(c) authorizes health service fees for all students except those who: (1) depend exclusively on prayer for healing; (2) attend a community college under an approved apprenticeship training program; or (3) demonstrate financial need. (Effective with the summer of 1997, authorized health service fee, pursuant to *Education Code* Section 76355, were \$8 per student for summer semester and \$11 per student for the fall and spring semesters. Effective with the summer 2001 session, *Education Code* Section 76355(a) authorized a \$1 increase to health service fees.)

Government Code Section 17514 defines "costs mandated by the state" as any increased costs that a school district is required to incur. To the extent community college districts can charge a fee, they are not required to incur a cost. In addition, *Government Code* Section 17556 states that COSM shall not find costs mandated by the State if the school district has the authority to levy fees to pay for the mandated program or increased level of service.

District's Response

The Controller asserts that the "authorized health fee revenues" were understated by \$252,286 for the two fiscal years. The Controller concluded that the district "understated" total district enrollment, "overstated" the number of enrolled students exempt from paying the health fees, and "understated" the amount of the "authorized" student health service fee amount by \$1 for three semesters. The adjustment amounts are based on the Controller's recalculation of student enrollment, exempt students, and the student health services fees which may have been "collectible" which was then compared to the District's student health fee revenues actually received.

ENROLLMENT AND EXEMPT STUDENTS

The district is not disputing the audited student enrollment and audited number of exempt students.

STUDENT FEES

Education Code Section 76355

The Controller alleges that claimants must compute the total student health fees collectible and reduce claimed costs by this amount even if those fees are not collected in full or part. Education Code Section 76355, subdivision (a), in relevant part, provides: "The governing board of a district maintaining a community college *may require* community college students to pay a fee . . . for health supervision and services. . . ." There is no requirement that community colleges levy these fees. The permissive nature of the provision is further illustrated in subdivision (b) which states "*If*, pursuant to this Section, a fee is required, the governing board of the district shall decide the amount of the fee, *if any*, that a part-time student is required to pay. *The governing board may decide whether the fee shall be mandatory or optional.*"

Parameters and Guidelines

This Controller states that "Parameters and Guidelines" states that health fees authorized by the *Education Code* must be deducted from costs claimed." The parameters and guidelines do not state this but instead state:

Any offsetting savings that the claimant experiences as a direct result of this statute must be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, e.g. federal, state, etc., shall be identified and deducted from this claim. This shall include the amount of [student fees] as authorized by Education Code 72246(a)¹.

In order for the district to "experience" these "offsetting savings" the district must actually have collected these fees. Student fees actually collected must be used to offset costs, but not student fees that could have been collected and were not. The use of the term "*any* offsetting savings" further illustrates the permissive nature of the fees.

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

Government Code Section 17514

The Controller relies upon Government Code Section 17514 for the conclusion that "[i]f community college districts can charge a fee, then they cannot (sic) are not required to incur a cost." Government Code Section 17514, as added by Chapter 1459, Statutes of 1984, actually states:

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

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

Government Code Section 17556

The Controller relies upon Government Code Section 17556 for the conclusion that "the COSM shall not find costs mandated by the State if the school district has the authority to levy fees to pay for the mandated program or higher level of service." Government Code Section 17556 as last amended by Chapter 589/89 actually states:

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

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

The Controller misrepresents the law. Government Code Section 17556 prohibits the Commission on State Mandates from finding costs subject to reimbursement, that is, approving a test claim activity for reimbursement, where there is authority to levy fees in an amount sufficient to offset the entire mandated costs. Here, the Commission has already approved the test claim and made a finding of a new program or higher level of service for which the claimants do not have the ability to levy a fee in an amount sufficient to offset the entire mandated costs.

Student Health Services Fee Account

The Controller asserts that the district should have collected a student health service fee each semester from non-exempt students in the amount of \$9 or \$12 depending on the fiscal year and whether the student is enrolled full time or part time. Districts receive notice of these fee amounts from the Chancellor of the California Community Colleges. An example of one such notice is the letter dated March 5, 2001, attached as Exhibit "F." While Education Code Section 76355 provides for an increase in the student health fee, it did not grant the Chancellor the authority to establish mandatory fee amounts or mandatory fee increases. No state agency was granted that authority by the Education Code, and no state agency has exercised its rulemaking authority to establish mandatory fee amounts. It should be noted that the Chancellor's letter properly states that increasing the amount of the fee is at the option of the district, and that the Chancellor is not asserting that authority. Therefore, the Controller cannot rely upon the Chancellor's notice as a basis to adjust the claim for "collectible" student health services fees.

Fees Collected vs. Fees Collectible

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

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

SCO's Comment

We agree that community college districts may choose not to levy a health service fee. However, *Education Code* Section 76355(a) provides districts the authority to levy a health service fee. *Education Code* Section 76355(c) specifies the authorized fees. We also agree that the California Community Colleges Chancellor's Office (CCCCO) does not have the authority to establish mandatory fee amounts or mandatory fee increases. The CCCCCO merely notifies districts of changes to the authorized fee amount, pursuant to *Education Code* Section 76355(a).

Regardless of the district's decision to levy or not levy a health service fee, the district does have the authority to levy the fees. In addition, contrary to the district's response, the SCO made no distinction between full-time or part-time students regarding the authorized health service fee. Districts are authorized to levy the full fee amount to both part-time and full time students. *Government Code* Section 17514 states that "costs mandated by the state" means any increased costs that a school district is required to incur. Furthermore, *Government Code* Section 17556(d) states that the COSM shall not find costs mandated by the State if the school district has the authority to levy fees to pay for the mandated program or increased level of service. For the Health Fee Elimination mandated program, the COSM clearly recognized the availability of another funding source by including the fees as offsetting savings in *Parameters and Guidelines*, Section VIII (amended May 25, 1989). To the extent districts have authority to charge a fee, they are not required to incur a cost.

The district misrepresents the COSM's determination regarding authorized health service fees. The COSM's staff analysis of May 25, 1989, regarding the proposed *Parameters and Guidelines* amendments (**Tab 5**), states:

Staff amended Item "VIII. Offsetting Savings and Other Reimbursements" to reflect the reinstatement of [the] fee authority.

In response to that amendment, the DOF [Department of Finance] has proposed the addition of the following language to Item VIII. to clarify the impact of the fee authority on claimants' reimbursable costs:

If a claimant does not levy the fee authorized by Education Code Section 72246(a), it shall deduct an amount equal to what it would have received had the fee been levied.

Staff concurs with the DOF proposed language which does not substantively change the scope of Item VIII.

Thus, it is clear that the COSM's intent was that claimants deduct authorized health service fees from mandate-reimbursable costs claimed. Furthermore, the staff analysis included an attached letter from the CCCCCO, dated April 3, 1989. In that letter, the CCCCCO concurred with the DOF and the COSM regarding authorized health service fees.

Since the COSM's staff concluded that DOF's proposed language did not substantively change the scope of staff's proposed language, the COSM staff did not further revise the proposed *Parameters and Guidelines*. The COSM's meeting minutes of May 25, 1989 (**Tab 6**) show that the proposed *Parameters and Guidelines* were adopted on consent, with no additional discussion. Therefore, there was no change to the COSM's interpretation regarding authorized health service fees.

Two court cases addressed the issue of fee authority.² Both cases concluded that "costs," as used in the constitutional provision, excludes "expenses that are recoverable from sources other than taxes." In both cases, the source other than taxes was the fee authority.

The district also states, "the amount 'collectible' will never equal actual revenues collected due to changes in a student's BOGG eligibility, bad debt accounts, and refunds." The SCO calculated authorized health service fees based on the district's records of enrollment and BOGG grants. The district is responsible for providing accurate enrollment and BOGG grant data, including any changes that result from BOGG grant eligibility or students who disenroll. Consistent with OMB Circular A-21, Section J, the district is responsible for any bad debt accounts. Further, the *Parameters and Guidelines* does not include a provision for bad debt accounts related to health service fees.

² *County of Fresno v. California* (1991) 53 Cal. 3d 482; *Connell v. Santa Margarita* (1997) 59 Cal. App. 4th 382.

IV. CONCLUSION

The SCO audited the North Orange County Community College District's claims for costs of the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session, and Chapter 1118, Statutes of 1987) for the period of July 1, 2001, through June 30, 2003. The district claimed \$792,165 for the mandated program. Our audit disclosed that \$445,583 is allowable and \$346,582 is unallowable. The district overstated indirect costs and understated offsetting revenues.

The district overstated its indirect costs by \$94,246 for the audit period because it improperly applied the federally approval indirect cost rates prepared using OMB Circular A-21 methodology. The district improperly applied its indirect cost rates to direct costs of materials and supplies, travel expenses, contract services, capital outlays, and other operating expenses. The district does not dispute this adjustment.

The district understated authorized health service fee revenues by \$252,286 for the audit period. The understatement occurred because the district understated student enrollment, overstated authorized health service fee exemption, and understated the per-student health service fee amount.

The SCO removed the audit of the district's FY 2000-01 claim, as it failed to initiate an audit within the expiration of the statute of limitations as defined in *Government Code* Section 17558.5.

In conclusion, the COSM should find that: (1) the SCO correctly reduced the district's FY 2001-02 claim by \$180,420, and (2) the SCO correctly reduced the district's FY 2002-03 claim by \$166,162.

V. CERTIFICATION

I hereby certify by my signature below that the statements made in this document are true and correct of my own knowledge, or, as to all other matters, I believe them to be true and correct based upon information and belief.

Executed on November 17, 2006, at Sacramento, California, by:



Jim L. Spano, Chief
Compliance Audits Bureau
Division of Audits
State Controller's Office

B. Indirect Cost

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services and facilities. As noted previously, in order for a cost to be allowable, it must be allocable to a particular cost objective. With respect to indirect costs, this requires that the cost be distributed to benefiting cost objectives on bases, which produce an equitable result in relation to the benefits derived by the mandate.

(1) Indirect Costs for Schools

School districts and county superintendents of schools may claim indirect costs incurred for mandated costs. For fiscal years prior to 1986-87, school districts and county superintendents of schools may use the Department of Education Form Nos. J41A or J-73A, respectively, applicable to the fiscal year of the claim. The rate, however, must not be applied to items of direct costs claimed in complying with the mandate if those same costs are included in cost centers identified as General Support (i.e., EDP Codes 400, 405, 410 in Column 3). For the 1986-87 and subsequent fiscal years, school districts and county superintendents of schools may use the Annual Program Cost Data Report, Department of Education Form Nos. J-380 or J-580; respectively, applicable to the fiscal year of the claim.

The amount of indirect costs the claimant is eligible to claim is computed by multiplying the rate by direct costs. When applying the rate, multiply the rate by direct costs not included in total support services EDP No. 422 of the J-380 or J-580. If there are any exceptions to this general rule for applying the indirect cost rate, they will be found in the individual mandate instructions.

(2) Indirect Cost Rate for Community Colleges

A college has the option of using a federally approved rate, utilizing the cost accounting principles from Office of Management and Budget Circular A-21 "Cost Principles for Educational Institutions," or the Controller's methodology outlined in the following paragraphs. If the federal rate is used, it must be from the same fiscal year in which the costs were incurred.

The Controller allows the following methodology for use by community colleges in computing an indirect cost rate for state mandates. The objective of this computation is to determine an equitable rate for use in allocating administrative support to personnel that performed the mandated cost activities claimed by the community college. This methodology assumes that administrative services are provided to all activities of the institution in relation to the direct costs incurred in the performance of those activities. Form FAM-29C has been developed to assist the community college in computing an indirect cost rate for state mandates. Completion of this form consists of three main steps:

- The elimination of unallowable costs from the expenses reported on the financial statements.
- The segregation of the adjusted expenses between those incurred for direct and indirect activities.
- The development of a ratio between the total indirect expenses and total direct expenses incurred by the community college.

The computation is based on total expenditures as reported in "California Community Colleges Annual Financial and Budget Report, Expenditures by Activity (CCFS-311)." Expenditures classified by activity are segregated by the function they serve. Each function may include expenses for salaries, fringe benefits, supplies, and capital outlay. OMB Circular A-21 requires expenditures for capital outlays to be excluded from the indirect cost rate computation.

Generally, a direct cost is one incurred specifically for one activity, while indirect costs are of a more general nature and are incurred for the benefit of several activities. As previously noted, the objective of this computation is to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by the college. For the purpose of this computation we have defined indirect costs to be those costs which provide administrative support to personnel who perform mandated cost activities. We have defined direct costs to be those indirect costs that do not provide administrative support to personnel who perform mandated cost activities and those costs that are directly related to instructional activities of the college. Accounts that should be classified as indirect costs are: Planning and Policy Making, Fiscal Operations, General Administrative Services, and Logistical Services. If any costs included in these accounts are claimed as a mandated cost, i.e., salaries of employee performing mandated cost activities, the cost should be reclassified as a direct cost. Accounts in the following groups of accounts should be classified as direct costs: Instruction, Instructional Administration, Instructional Support Services, Admissions and Records, Counseling and Guidance, Other Student Services, Operation and Maintenance of Plant, Community Relations, Staff Services, Non-instructional Staff-Retirees' Benefits and Retirement Incentives, Community Services, Ancillary Services and Auxiliary Operations. A college may classify a portion of the expenses reported in the account Operation and Maintenance of Plant 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 basis.

The rate, derived by determining the ratio of total indirect expenses and total direct expenses when applied to the direct costs claimed, will result in an equitable distribution of the college's mandate related indirect costs. An example of the methodology used to compute an indirect cost rate is presented in Table 4.

Table 4 Indirect Cost Rate for Community Colleges

MANDATED COST INDIRECT COST RATE FOR COMMUNITY COLLEGES						FORM FAM-29C
(01) Claimant				(02) Period of Claim		
(03) Expenditures by Activity				(04) Allowable Costs		
Activity	EDP	Total	Adjustments	Total	Indirect	Direct
Subtotal Instruction	599	\$19,590,357	\$1,339,059	\$18,251,298	\$0	\$18,251,298
Instructional Administration	6000					
Academic Administration	301	2,941,386	105,348	2,836,038	0	2,836,038
Course Curriculum & Develop.	302	21,595	0	21,595	0	21,595
Instructional Support Service	6100					
Learning Center	311	22,737	863	21,874	0	21,874
Library	312	518,220	2,591	515,629	0	515,629
Media	313	522,530	115,710	406,820	0	406,820
Museums and Galleries	314	0	0	0	0	0
Admissions and Records	6200	584,939	12,952	571,987	0	571,987
Counseling and Guidance	6300	1,679,596	54,401	1,625,195	0	1,625,195
Other Student Services	6400					
Financial Aid Administration	321	391,459	20,724	370,735	0	370,735
Health Services	322	0	0	0	0	0
Job Placement Services	323	83,663	0	83,663	0	83,663
Student Personnel Admin.	324	289,926	12,953	276,973	0	276,973
Veterans Services	325	25,427	0	25,427	0	25,427
Other Student Services	329	0	0	0	0	0
Operation & Maintenance	6500					
Building Maintenance	331	1,079,260	44,039	1,035,221	0	1,035,221
Custodial Services	332	1,227,668	33,677	1,193,991	0	1,193,991
Grounds Maintenance	333	596,257	70,807	525,450	0	525,450
Utilities	334	1,236,305	0	1,236,305	0	1,236,305
Other	339	3,454	3,454	0	0	0
Planning and Policy Making	6600	587,817	22,451	565,366	565,366	0
General Inst. Support Services	6700					
Community Relations	341	0	0	0	0	0
Fiscal Operations	342	634,605	17,270	617,335	553,184	(a) 64,151
Subtotal		\$32,037,201	\$1,856,299	\$30,180,902	\$1,118,550	\$29,062,352

Table 4 Indirect Cost Rate for Community Colleges (continued)

MANDATED COST INDIRECT COST RATE FOR COMMUNITY COLLEGES						FORM FAM-29C
(01) Claimant				(02) Period of Claim		
(03) Expenditures by Activity				(04) Allowable Costs		
Activity	EDP	Total	Adjustments	Total	Indirect	Direct
General Inst. Sup. Serv. (cont.)	6700					
Administrative Services	343	\$1,244,248	\$219,331	\$1,024,917	\$933,494	(a) \$91,423
Logistical Services	344	1,650,889	126,935	1,523,954	1,523,954	0
Staff Services	345	0	0	0	0	0
Noninstr. Staff Benefit & Incent.	346	10,937	0	10,937	0	10,937
Community Services	6800					
Community Recreation	351	703,858	20,509	683,349	0	683,349
Community Service Classes	352	423,188	24,826	398,362	0	398,362
Community Use of Facilities	353	89,877	10,096	79,781	0	79,781
Ancillary Services	6900					
Bookstores	361	0	0	0	0	0
Child Development Center	362	89,051	1,206	87,845	0	87,845
Farm Operations	363	0	0	0	0	0
Food Services	364	0	0	0	0	0
Parking	365	420,274	6,857	413,417	0	413,417
Student Activities	3663	0	0	0	0	0
Student Housing	67	0	0	0	0	0
Other	379	0	0	0	0	0
Auxiliary Operations	7000					
Auxiliary Classes	381	1,124,557	12,401	1,112,156	0	1,112,156
Other Auxiliary Operations	382	0	0	0	0	0
Physical Property Acquisitions	7100	814,318	814,318	0	0	0
(05) Total		\$38,608,398	\$3,092,778	\$35,515,620	\$3,575,998	\$31,939,622
(06) Indirect Cost Rate: (Total Indirect Cost/Total Direct Cost)				11.1961%		
(07) Notes						
(a) Mandated Cost activities designated as direct costs per claim instructions.						

HEALTH FEE ELIMINATION

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

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

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

2. Eligible Claimants

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

3. Appropriations

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

4. Types of Claims

A. Reimbursement and Estimated Claims

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

B. Minimum Claim

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

5. Filing Deadline

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

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

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

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

6. Reimbursable Components

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

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

\$10.00 per semester

\$5.00 for summer school

\$5.00 for each quarter

Beginning with the summer of 1997, the fees are:

\$11.00 per semester

\$8.00 for summer school or

\$8.00 for each quarter

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

7. Reimbursement Limitations

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

8. Claiming Forms and Instructions

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

A. Form HFE- 2, Health Services

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

B. Form HFE-1.1, Claim Summary

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

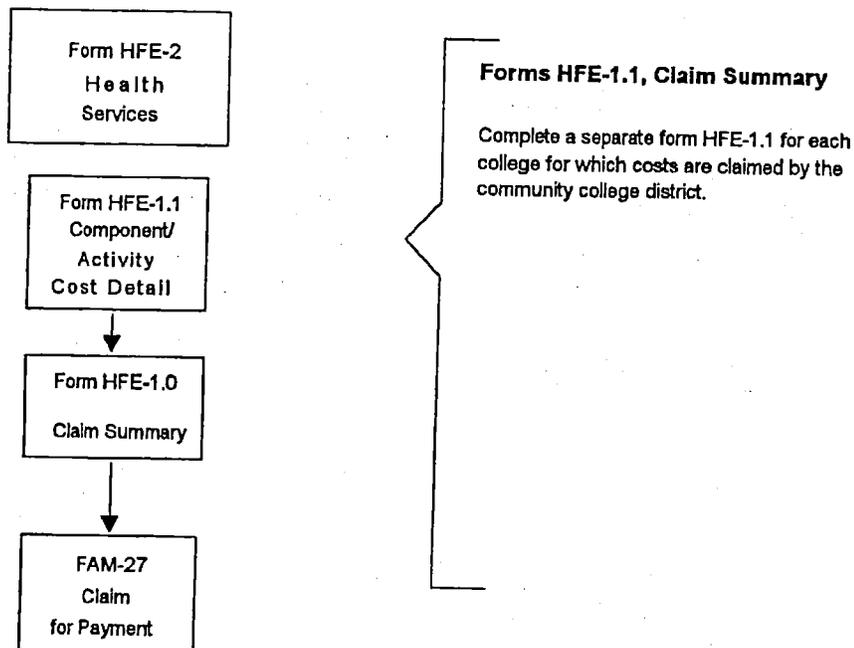
C. Form HFE-1.0, Claim Summary

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

D. Form FAM-27, Claim for Payment

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

Illustration of Claim Forms



CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 HEALTH FEE ELIMINATION		For State Controller Use Only (19) Program Number 00029 (20) Date Filed ____/____/____ (21) LRS Input ____/____/____	Program 029	
L A B E L H E R E	(01) Claimant Identification Number		Reimbursement Claim Data	
	(02) Claimant Name		(22) HFE-1.0, (04)(b)	
	County of Location		(23)	
	Street Address or P.O. Box		(24)	
	Suite		(25)	
	City State Zip Code			
Type of Claim	Estimated Claim	Reimbursement Claim	(26)	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(27)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29)	
Fiscal Year of Cost	(06) 20__/20__	(12) 20__/20__	(30)	
Total Claimed Amount	(07)	(13)	(31)	
Less: 10% Late Penalty, not to exceed \$1,000		(14)	(32)	
Less: Prior Claim Payment Received		(15)	(33)	
Net Claimed Amount		(16)	(34)	
Due from State	(08)	(17)	(35)	
Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file claims with the State of California for costs mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.</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 mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987.</p> <p>The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, set forth on the attached statements.</p>				
Signature of Authorized Officer		Date		
_____		_____		
Type or Print Name		Title		
_____		_____		
(38) Name of Contact Person for Claim		Telephone Number () - Ext.		
_____		E-Mail Address	_____	

Program 029	HEALTH FEE ELIMINATION Certification Claim Form Instructions	FORM FAM-27
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- (01) Leave blank.
- (02) A set of mailing labels with the claimant's I.D. number and address was enclosed with the letter regarding the claiming instructions. The mailing labels are designed to speed processing and prevent common errors that delay payment. Affix a label in the space shown on form FAM-27. Cross out any errors and print the correct information on the label. Add any missing address items, except county of location and a person's name. If you did not receive labels, print or type your agency's mailing address.
- (03) If filing an original estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) If filing an original estimated claim on behalf of districts within the county, enter an "X" in the box on line (04) Combined.
- (05) If filing an amended or combined claim, enter an "X" in the box on line (05) Amended. Leave boxes (03) and (04) blank.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form HFE-1.0 and enter the amount from line (04)(b).
- (08) Enter the same amount as shown on line (07).
- (09) If filing an original reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing an original reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended or a combined claim on behalf of districts within the county, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of reimbursement claim from form HFE-1.0, line (04)(b).
- (14) Reimbursement claims must be filed by January 15 of the following fiscal year in which costs are incurred or the claims shall be reduced by a late penalty. Enter either the product of multiplying line (13) by the factor 0.10 (10% penalty) or \$1,000, whichever is less.
- (15) If filing a reimbursement claim and a claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16) Net Claimed Amount is positive, enter that amount on line (17) Due from State.
- (18) If line (16) Net Claimed Amount is negative, enter that amount in line (18) Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., HFE-1.0, (04)(b), means the information is located on form HFE-1.0, line (04), column (b). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. Completion of this data block will expedite the payment process.
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. Claims cannot be paid unless accompanied by a signed certification.
- (38) Enter the name, telephone number, and e-mail address of the person whom this office should contact if additional information is required.

SUBMIT A SIGNED, ORIGINAL FORM FAM-27 WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS (NO COPIES NECESSARY) TO:

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

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

Address, if delivered by other delivery service:

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

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

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

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

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

MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY							FORM HFE-1.1
(01) Claimant		(02) Type of Claim			Fiscal Year		
		Reimbursement <input type="checkbox"/>			19__/19__		
		Estimated <input type="checkbox"/>					
(03) Name of College							
(04) Indicate with a check mark, the level at which health services were provided during the fiscal year of reimbursement in comparison to the 1986/87 fiscal year. If the "Less" box is checked, STOP, do not complete the form. No reimbursement is allowed.							
LESS <input type="checkbox"/>		SAME <input type="checkbox"/>		MORE <input type="checkbox"/>			
					Direct Cost	Indirect Cost	Total
(05) Cost of health services for the fiscal year of claim							
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87							
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]							
(08) Complete columns (a) through (g) to provide detail data for health fees							
Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester							
2. Per spring semester							
3. Per summer session							
4. Per first quarter							
5. Per second quarter							
6. Per third quarter							
(09) Total health fee that could have been collected				[Line (8.1g) + (8.2g) +(8.6g)]			
(10) Sub-total				[Line (07) - line (09)]			
Cost Reduction							
(11) Less: Offsetting Savings, if applicable							
(12) Less: Other Reimbursements, if applicable							
(13) Total Amount Claimed				[Line (10) - (line (11) + line (12))]			

HEALTH FEE ELIMINATION CLAIM SUMMARY Instructions	FORM HFE-1.1
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- (01) Enter the name of the claimant. Only a community college district may file a claim with the State Controller's Office on behalf of its colleges.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year of costs.
- Form HFE-1.1 must be filed for a reimbursement claim. If you are filing an estimated claim and the estimate does not exceed the previous year's actual costs by 10%, do not complete form HFE-1.1. Simply enter the amount of the estimated claim on form FAM-27, line (05), Estimated. However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form HFE-1.1 must be completed and a statement attached explaining the increased costs. Without this information the high estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Enter the name of the college or community college district that provided student health services in the 1986/87 fiscal year and continue to provide the same services during the fiscal year of the claim.
- (04) Compare the level of health services provided during the fiscal year of reimbursement to the 1986/87 fiscal year and indicate the result by marking a check in the appropriate box. If the "Less" box is checked, STOP and do not complete the remaining part of this claim form. No reimbursement is forthcoming.
- (05) Enter the direct cost, indirect cost, and total cost of health services for the fiscal year of claim on line (05). Direct cost of health services is identified on the college expenditures report (individual college's cost of health services as authorized under Education Code § 76355 and included in the district's Community College Annual Financial and Budget Report CCFS-311, EDP Code 6440, column 5). **If the amount of direct costs claimed is different than shown on the expenditures report, provide a schedule listing those community college costs that are in addition to, or a reduction to expenditures shown on the report.** For claiming indirect costs, college districts have the option of using a federally approved rate (i.e., utilizing the cost accounting principles from the Office of Management and Budget Circular A-21), or the State Controller's methodology outlined in "Filing a Claim" of the Mandated Cost Manual for Schools.
- (06) Enter the direct cost, indirect cost, and total cost of health services that are in excess of the level provided in the 1986/87 fiscal year.
- (07) Enter the difference of the cost of health services for the fiscal year of claim, line (05), and the cost of providing current fiscal year health services that is in excess of the level provided in the 1986/87 fiscal year, line (06).
- (08) Complete columns (a) through (g) to provide details on the amount of health service fees that could have been collected. **Do not include students who are exempt from paying health fees established by the Board of Governors and contained in Section 58620 of Title 5 of the California Code of Regulations.** After 01/01/93, the student fees for health supervision and services were \$10.00 per semester, \$5.00 for summer school, and \$5.00 for each quarter. Beginning with the summer of 1997, the health service fees are: \$11.00 per semester and \$8.00 for summer school, or \$8.00 for each quarter.
- (09) Enter the sum of Student Health Fees That Could Have Been Collected, (other than from students who were exempt from paying health fees) [Line (8.1g) + line (8.2g) + line (8.3g) + line (8.4g) + line (8.5g) + line (8.6g)].
- (10) Enter the difference of the cost of providing health services at the 1986/87 level, line (07) and the total health fee that could have been collected, line (09). If line (09) is greater than line (07), no claim shall be filed.
- (11) Enter the total savings experienced by the school identified in line (03) as a direct cost of this mandate. Submit a schedule of detailed savings with the claim.
- (12) Enter the total other reimbursements received from any source, (i.e., federal, other state programs, etc.). Submit a schedule of detailed reimbursements with the claim.
- (13) Subtract the sum of Offsetting Savings, line (11), and Other Reimbursements, line (12), from Total 1986/87 Health Service Cost excluding Student Health Fees.

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

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

MANDATED COSTS HEALTH ELIMINATION FEE HEALTH SERVICES		FORM HFE-2	
(01) Claimant:		(02) Fiscal Year costs were incurred:	
(03) Place an "X" in columns (a) and/or (b), as applicable, to indicate which health services were provided by student health service fees for the indicated fiscal years.		(a) FY 1986/87	(b) FY of Claim
Referrals to Outside Agencies Private Medical Doctor Health Department Clinic Dental Counseling Centers Crisis Centers Transitional Living Facilities, battered/homeless women Family Planning Facilities Other Health Agencies			
Tests Blood Pressure Hearing Tuberculosis Reading Information Vision Glucometer Urinalysis Hemoglobin EKG Strep A testing PG Testing Monospot Hemacult Others, list			
Miscellaneous Absence Excuses/PE Waiver Allergy Injections Band-aids Booklets/Pamphlets Dressing Change Rest Suture Removal Temperature Weigh Information Report/Form Wart Removal Others, list			
Committees Safety Environmental Disaster Planning			

TAB 5

Chronology

12/2/85 Test Claim filed with Commission on State Mandates.
7/24/86 Test Claim continued at claimant's request.
11/20/86 Commission approved mandate.
1/22/87 Commission adopted Statement of Decision.
4/9/87 Claimant submitted proposed parameters and guidelines.
8/27/87 Commission adopted parameters and guidelines
10/22/87 Commission adopted cost estimate
9/28/88 Mandate funded in Commission's Claims Bill, Chapter 1425/88

Summary of Mandate

Chapter 1/84, 2nd E.S., effective July 1, 1984, repealed Education Code (EC) Section 72246 which had authorized community college districts to charge a health fee for the purpose of providing health supervision and services, direct and indirect medical and hospitalization services, and operation of student health centers. The statute also required that any community college district which provided health services for which it was authorized to charge a fee shall maintain health services at the level provided during the 1983-84 fiscal year in the 1984-85 fiscal year and each fiscal year thereafter.

Prior to the passage of Chapter 1/84, 2nd E.S., the implementation of a health services program was at the local community college district's option. If implemented, the respective community college district had the authority to charge a health fee up to \$7.50 per semester for day and evening students, and \$5 per summer session.

Proposed Amendments

The Community Colleges Chancellor's Office (Chancellor's Office) has requested parameters and guidelines amendments be made to address the changes in mandated activities effectuated by Chapter 1118/87. (Attachment G) In order to expedite the process, staff has developed language to accomplish the following: (1) change the eligible claimants to those community college districts which provided a health services program in fiscal year 1986-87; and (2) change the offsetting savings and other reimbursements to include the reinstated authority to charge a health fee. (Attachment B)

Recommendations

The Department of Finance (DOF) proposed one non-substantive amendment to clarify the effect of the fee authority language on the scope of the reimbursable costs. With this amendment, the DOF believes the amendments to the parameters and guidelines are appropriate for this mandate and recommends the Commission adopt them. (Attachment C)

The Chancellor's Office recommends that the Commission approve the amended parameters and guidelines developed by staff with the additional language suggested by the DOF. (Attachment D)

The State Controller's Office (SCO), upon review of the proposed amendments, finds the proposals proper and acceptable. (Attachment E)

The claimant, in its recommendation, states its belief that the revisions are appropriate and concurs with the proposed changes. (Attachment F)

Staff Analysis

Issue 1: Eligible Claimants

The mandate found in Chapter 1/84, 2nd E.S., was for a new program with a required maintenance of effort at the fiscal year 1983-84 level. Chapter 1118/87 superseded that level of service by requiring that community college districts which provided a health services program in fiscal year 1986-87 maintain that level of effort in fiscal year 1987-88 and each subsequent year thereafter. Additionally, this expanded the group of eligible claimants because the requirement is no longer imposed on only those community college districts which had charged a health fee for the program. At the time of enactment of Chapter 1118/87, there were 11 community college districts which provided the health services program but had never charged a health fee for the service.

Therefore, staff has amended the language in Item III. "Eligible Claimants" to reflect this change in the scope of the mandate.

Issue 2: Reimbursement Alternatives

In response to Chapter 1/84, 2nd E.S., Item VI.B. contained two alternatives for claiming reimbursement costs. This gave claimants a choice between claiming actual costs for providing the health services program, or funding the program as was done prior to the mandate when a health fee could be charged.

The first alternative was in Item VI.B.1. and provided for the use of the formula which the eligible claimants were authorized to utilize prior to the implementation of Chapter 1/84, 2nd E.S.--total eligible enrollment multiplied by the health fee charged per student in fiscal year 1983-84. With the sunset of the repeal of the health fee authority as contained in Chapter 1/84, 2nd E.S., claimants can now charge the health fee as was allowed prior to fiscal year 1983-84, thereby funding the program as was done prior to the mandate. Therefore, this alternative is no longer applicable to this mandate and has been deleted by staff.

The second alternative was in Item VI.B.2. and provided for the claiming of actual costs involved in maintaining a health services program at the fiscal year 1983-84 level. This alternative is now the sole method of reimbursement for this mandate. However, it has been amended to reflect that Chapter 1118/87 requires a maintenance of effort at the fiscal year 1986-87 level.

Hearing: 5/25/89
File Number: CSM-4206
Staff: Deborah Fraga-Decker
WP 0366d

- PROPOSED PARAMETERS AND GUIDELINES AMENDMENTS
Chapter 1, Statutes of 1984, 2nd E.S.
Chapter 1118, Statutes of 1987
Health Fee Elimination ✓

Executive Summary

At its hearing of November 20, 1986, the Commission on State Mandates found that Chapter 1, Statutes of 1984, 2nd E.S., imposed state mandated costs upon local community college districts by (1) requiring those community college districts which provided health services for which it was authorized to and did charge a fee to maintain such health services at the level provided during the 1983-84 fiscal year in the 1984-85 fiscal year and each fiscal year thereafter and (2) repealing the district's authority to charge a health fee. The requirements of this statute would repeal on December 31, 1987, unless subsequent legislation was enacted.

Chapter 1118, Statutes of 1987, was enacted September 24, 1987, and became effective January 1, 1988. Chapter 1118/87 modified the requirements contained in Chapter 1/84, 2nd E.S., to require those community college districts which provided health services in fiscal year 1986-87 to maintain such health services in the 1987-88 fiscal year and each fiscal year thereafter. Additionally, the language contained in Chapter 1/84, 2nd E.S., which repealed the districts' authority to charge a health fee to cover the costs of the health services program was allowed to sunset, thereby reinstating the districts' authority to charge a fee as specified. Parameters and guidelines amendments are appropriate to address the changes contained in Chapter 1118/87 because this statute amended the same Education Code sections previously enacted by Chapter 1/84, 2nd E.S., and found to contain a mandate.

Commission staff included the Department of Finance suggested non-substantive amendment to the staff's proposed parameters and guidelines amendments. The Chancellor's Office, the State Controller's Office, and the claimant are in agreement with these amendments. Therefore, staff recommends that the Commission adopt the parameters and guidelines amendments as requested by the Chancellor's Office and as developed by staff.

Claimant

Rio Hondo Community College District

Requesting Party

California Community Colleges Chancellor's Office

Issue 3: Offsetting Savings and Other Reimbursements

With the sunset of the repeal of the fee authority contained in Chapter 1/84, 2nd E.S., Education Code (EC) section 72246(a) again provides community college districts with the authority to charge a health fee as follows:

"72246.(a) The governing board of a district maintaining a community college may require community college students to pay a fee in the total amount of not more than seven dollars and fifty cents (\$7.50) for each semester, and five dollars (\$5) for summer school, or five dollars (\$5) for each quarter for health supervision and services, including direct or indirect medical and hospitalization services, or the operation of a student health center or centers, authorized by Section 72244, or both."

Staff amended Item "VIII. Offsetting Savings and Other Reimbursements" to reflect the reinstatement of this fee authority.

In response to that amendment, the DOF has proposed the addition of the following language to Item VIII. to clarify the impact of the fee authority on claimants' reimbursable costs:

"If a claimant does not levy the fee authorized by Education Code Section 72246(a), it shall deduct an amount equal to what it would have received had the fee been levied."

Staff concurs with the DOF proposed language which does not substantively change the scope of Item VIII.

Issue 4: Editorial Changes

In preparing the proposed parameters and guidelines amendments, it was not necessary for staff to make any of the normal editorial changes as the original parameters and guidelines contained the language usually adopted by the commission.

Staff, the DOF, the Chancellor's Office, the SCO, and the claimant are in agreement with the recommended amendments which are shown in Attachment A with additions indicated by underlining and deletions by strikeout.

Staff Recommendation

Staff recommends the adoption of the staff's proposed parameters and guidelines amendments, which are based on the original parameters and guidelines adopted in response to Chapter 1/84, 2nd E.S., and amended in response to Chapter 1118/87, as well as incorporating the amendment recommended by the DOF. All parties concur with these amendments.

PARAMETERS AND GUIDELINES
Chapter 1118, Statutes of 1987, 2nd E.S.
Health Fee Elimination

I. SUMMARY OF MANDATE

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

Chapter 1118, Statutes of 1987, amended Education Code section 72246 to require any community college district that provided health services in 1986-87 to maintain health services at the level provided during the 1986-87 fiscal year in 1987-88 and each fiscal year thereafter.

II. COMMISSION ON STATE MANDATES' DECISION

At its hearing on November 20, 1986, the Commission on State Mandates determined that Chapter 1, Statutes of 1984, 2nd E.S. imposed a "new program" upon community college districts by requiring any community college district which provided health services for which it was authorized to charge a fee pursuant to former Section 72246 in the 1983-84 fiscal year to maintain health services at the level provided during the 1983-84 fiscal year in the 1984-85 fiscal year and each fiscal year thereafter. This maintenance of effort requirement applies to all community college districts which levied a health services fee in the 1983-84 fiscal year, regardless of the extent to which the health services fees collected offset the actual costs of providing health services at the 1983-84 fiscal year level.

At its hearing of April 27, 1989, the Commission determined that Chapter 1118, Statutes of 1987, amended this maintenance of effort requirement to apply to all community college districts which provided health services in fiscal year 1986-87 and required them to maintain that level in fiscal year 1987-88 and each fiscal year thereafter.

III. ELIGIBLE CLAIMANTS

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

IV. PERIOD OF REIMBURSEMENT

Chapter 1, Statutes of 1984, 2nd E.S., became effective July 1, 1984. Section 17557 of the Government Code states that a test claim must be submitted on or before November 30th following a given fiscal year to establish for that fiscal year. The test claim for this mandate was filed on November 27, 1985; therefore, costs incurred on or after July 1, 1984, are reimbursable. Chapter 1118, Statutes of 1987, became effective January 1, 1988. Title 2, California Code of Regulations, section 1185.3(a) states that a parameters and guidelines amendment filed before the deadline for initial claims as specified in the Claiming Instructions shall apply to all years eligible for reimbursement as defined in the original parameters and guidelines; therefore, costs incurred on or after January 1, 1988, for Chapter 1118, Statutes of 1987, are reimbursable.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim if applicable. Pursuant to Section 17561(d)(3) of the Government Code, all claims for reimbursement of costs shall be submitted within 120 days of notification by the State Controller of the enactment of the claims bill.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed; except as otherwise allowed by Government Code Section 17564.

V. REIMBURSEMENTABLE COSTS

A. Scope of Mandate

Eligible community college districts shall be reimbursed for the costs of providing a health services program ~~without the authority to levy a fee~~. Only services provided ~~for fee~~ in 1986-87 fiscal year may be claimed.

B. Reimbursable Activities

For each eligible claimant, the following cost items are reimbursable to the extent they were provided by the community college district in fiscal year ~~1983-84~~ 1986-87:

ACCIDENT REPORTS

APPOINTMENTS

- College Physician - Surgeon
- Dermatology, Family Practice, Internal Medicine
- Outside Physician
- Dental Services
- Outside Labs (X-ray, etc.)
- Psychologist, full services
- Cancel/Change Appointments
- R.N.
- Check Appointments

ASSESSMENT, INTERVENTION & COUNSELING

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

EXAMINATIONS (Minor Illnesses)

- Recheck Minor Injury

HEALTH TALKS OR FAIRS - INFORMATION

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

FIRST AID (Major Emergencies)

FIRST AID (Minor Emergencies)

FIRST AID KITS (Filled)

IMMUNIZATIONS

- Diphtheria/Tetanus
- Measles/Rubella
- Influenza
- Information

INSURANCE

- On Campus Accident
- Voluntary
- Insurance Inquiry/Claim Administration

LABORATORY TESTS DONE
Inquiry/Interpretation
Pap Smears

PHYSICALS
Employees
Students
Athletes

MEDICATIONS (dispensed OTC for misc. illnesses)
Antacids
Antidiarrhial
Antihistamines
Aspirin, Tylenol, etc.
Skin rash preparations
Misc.
Eye drops
Ear drops
Toothache - Oil cloves
Stingkill
Midol - Menstrual Cramps

PARKING CARDS/ELEVATOR KEYS
Tokens
Return card/key
Parking inquiry
Elevator passes
Temporary handicapped parking permits

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

TESTS
Blood Pressure
Hearing
Tuberculosis
Reading
Information
Vision
Glucometer
Urinalysis
Hemoglobin
E.K.G.
Strep A testing
P.G. testing
Monospot
Hemacult
Misc.

MISCELLANEOUS

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

COMMITTEES

Safety
Environmental
Disaster Planning

SAFETY DATA SHEETS

Central file

X-RAY SERVICES

COMMUNICABLE DISEASE CONTROL

BODY FAT MEASUREMENTS

MINOR SURGERIES

SELF-ESTEEM GROUPS

MENTAL HEALTH CRISIS

AA GROUP

ADULT CHILDREN OF ALCOHOLICS GROUP

WORKSHOPS

Test Anxiety
Stress Management
Communication Skills
Weight Loss
Assertiveness Skills

VI. CLAIM PREPARATION

Each claim for reimbursement pursuant to this mandate must be timely filed and set forth a list of each item for which reimbursement is claimed under this mandate. // *Eligible claimants may claim costs under one of two alternatives: // 1) Fee amount previously collected per student and enrollment count, or // 2) actual costs of program/*

A. Description of Activity

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

B. Claiming Alternatives

Claimed costs should be supported by the following information:

Alternative 1 // Fees Previously Collected in 1983-84 Fiscal Year

1/ Fees collected in the 1983-84 fiscal year to support the health services program

2/ Total number of students under Item 11A/1/ through 4/ above // Using this alternative, the total amount claimed would be Item 11B/1/ multiplied by Item 11B/2/ with the total amount reimbursed/increased by the applicable Implicit Price Deflator

Alternative 2 // Actual Costs of Claim Year for Providing 1983-84 Fiscal Year Program Level of Service.

1. Employee Salaries and Benefits

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

2. Services and Supplies

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

3. Allowable Overhead Cost

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

VII. SUPPORTING DATA

For auditing purposes, all costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs. This would include documentation for the fiscal year 19836-847 program to substantiate a maintenance of effort. These documents must be kept on file by the agency submitting the claim for a period of no less than three years from the date of the final payment of the claim pursuant to this mandate, and made available on the request of the State Controller or his agent.

VIII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

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

IX. REQUIRED CERTIFICATION

The following certification must accompany the claim:

I DO HEREBY CERTIFY under penalty of perjury:

THAT the foregoing is true and correct:

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

and

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

Signature of Authorized Representative

Date

Title

Telephone No.

CALIFORNIA COMMUNITY COLLEGES

1107 NINTH STREET
SACRAMENTO, CALIFORNIA 95814
(916) 445-8752 445-1163



February 22, 1989



Mr. Robert W. Eich
Executive Director
Commission on State Mandates
1130 "K" Street, Suite LL50
Sacramento, CA 95814-3927

Dear Mr. Eich:

As you know, the Commission on August 27, 1987 adopted Parameters and Guidelines for claiming reimbursements of mandated costs related to community college health services. Fees formerly collected by community colleges had been eliminated by Chapter 1, Statutes of 1984, Second Extraordinary Session. Last year's mandate claims bill (AB 2763) included funding to pay all these claims through 1988-89.

The Governor's partial approval of AB 2763 last September included a stipulation that claims for the current year would be paid this fiscal year, but prior-year claims will be paid in equal installments from the next three budget acts. The Governor did not address the fact that the ongoing costs of providing the mandated level of service will continue to exceed the maximum permissible fee of \$7.50 per student per semester.

On behalf of all eligible community college districts, the Chancellor's Office proposes the following changes in the Parameters and Guidelines:

- o Payment of 1988-89 mandated costs in excess of maximum permissible fees. (This amount is payable from AB 2763.)
- o Payment of all prior-year claims in installments over the next three years. (Funds for these payments will be included in the next 3 budget acts.)
- o Payment of future-years mandated costs in excess of the maximum permissible fees. (No funding has yet been provided for these costs.)

If you have any questions regarding this proposal, please contact Patrick Ryan at (916) 445-1163.

Sincerely,

David Mertes

DAVID MERDES
Chancellor

DM:PR:mh

cc: / Deborah Fraga-Decker, CSM
Douglas Burris
Joseph Newmyer
Gary Cook

State of California

Memorandum

March 22, 1989

To : Deborah Fraga-Decker
 Program Analyst
 Commission on State Mandates

From : Department of Finance

Proposed Amendments to Parameters and Guidelines for Claim No. CSM-4206 -- Chapter 1, Statutes of 1984, 2nd E.S. and Chapter 1118, Statutes of 1987 -- Health Fee Elimination

Pursuant to your request, the Department of Finance has reviewed the proposed amendments to the parameters and guidelines related to community college health services. These amendments, which are requested by the Chancellor's Office, reflect the impact that Chapter 1118/87 has on the original parameters adopted by the Commission for Chapter 1/84 on August 27, 1987. Specifically, Chapter 1118/87:

- (1) requires districts which were providing health services in 1986-87, rather than 1983-84, to continue to provide such services, irrespective of whether or not a fee was charged for the services; and
- (2) allows all districts to again charge a fee of up to \$7.50 per student for the services. In this regard, we would point out that the proposed amendment to "VIII. Offsetting Savings, and Other Reimbursements" could be interpreted to require that, if a district elected not to charge fees it would not have to deduct anything from its claim. We believe that, pursuant to Section 17556 (d) of the Government Code, an amount equal to \$7.50 per student must be deducted whether or not it is actually charged since the district has the authority to levy the fee. We suggest that the following language be added as a second paragraph under "VIII": "If a claimant does not levy the fee authorized by Education Code Section 72246 (a), it shall deduct an amount equal to what it would have received had the fee been levied."

With the amendment described above, we believe the amendments to the parameters and guidelines are appropriate for this mandate and recommend the Commission adopt them at its April 27, 1989, meeting.

Any questions regarding this recommendation should be directed to James M. Apps or Kim Clement of my staff at 324-0043.


 Fred Klass
 Assistant Program Budget Manager

cc: see second page

cc: Glen Beatie, Stat' Controller's Office
Pat Ryan, Chancel /'s Office, Community College
Juliet Musso, Legislative Analyst's Office
Richard Frank, Attorney General

LR:1988-2

CALIFORNIA COMMUNITY COLLEGES

1521 NINTH STREET
 SACRAMENTO, CALIFORNIA 95814
 (916) 445-8752 445-1163



April 3, 1989

Mr. Robert W. Eich
 Executive Director
 Commission on State Mandates
 170 K Street, Suite LL50
 Sacramento, CA 95814

Attention: Ms. Deborah Fraga-Decker

Subject: CSM 4206
 Amendments to Parameters and Guidelines
 Chapter 1, Statutes of 1984, 2nd E.S.
 Chapter 118, Statutes of 1987
Health Fee Elimination

Dear Mr. Eich:

In response to your request of March 8, we have reviewed the proposed language changes necessary to amend the existing parameters and guidelines to meet the requirements of Chapter 1118, Statutes of 1987.

The Department of Finance has also provided us a copy of their suggestion to add the following language in part VIII: "If a claimant does not levy the fee authorized by Education Code Section 72246(a), it shall deduct an amount equal to what it would have received had the fee been levied." This office concurs with their suggestion which is consistent with the law and with our request of February 22.

With the additional language suggested by the Department of Finance, the Chancellor's Office recommends approval of the amended parameters and guidelines as drafted for presentation to the Commission on April 27, 1989.

Sincerely,

David Mertes

DAVID MERTES
 Chancellor

DM:PR:mh

cc: Jim Apps, Department of Finance
 Glen Beatie, State Controller's Office
 Richard Frank, Attorney General's Office
 Juliet Muso, Legislative Analyst's Office
 Douglas Burris
 Joseph Newmyer
 Gary Cook



GRAY DAVIS
Controller of the State of California
P.O. BOX 942850
SACRAMENTO, CA 94250-0001

April 3, 1989

Ms. Deborah Fraga-Decker
Program Analyst
Commission on State Mandates
1130 K Street, Suite LL50
Sacramento, CA 95814



Dear Ms. Fraga-Decker:

RE: Proposed Amendments to Parameters and Guidelines: Chapter 1/84, 2nd
E.S., and Chapter 1118/87 - Health Fee Elimination

We have reviewed the amendments proposed on the above subject and find the proposals proper and acceptable.

However, the Commission may wish to clarify section "VIII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS" that the required offset is the amount received or would have received per student in the claim year.

If you have any questions, please call Glen Beatie at 3-8137.

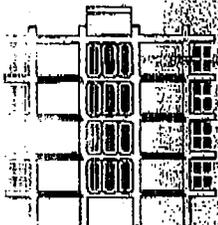
Sincerely,

A handwritten signature in cursive script, appearing to read "Glenn Haas".

Glenn Haas, Assistant Chief
Division of Accounting

GH/GB:dvl

SC81822



HR/60

RIO HONDO COMMUNITY COLLEGE DISTRICT
 8600 Workman Mill Road • Whittier, CA 90608 • Phone (213) 692-0921



March 16, 1989

Ms. Deborah Fraga-Decker
 Program Analyst
 Commission on State Mandates
 1130 K Street, Suite LL50
 Sacramento, CA 95814

REFERENCE: CSM-4206
 AMENDMENTS TO PARAMETERS AND GUIDELINES
 CHAPTER 1, STATUTES OF 1984, 2ND E.S.
 CHAPTER 1118, STATUTES OF 1987
 HEALTH FEE ELIMINATION

Dear Deborah:

We have reviewed your letter of March 7 to Chancellor David Martes and the attached amendments to the health fee parameters and guidelines. We believe these revisions to be most appropriate and concur totally with the changes you have proposed.

I would like to thank you again for your expertise and helpfulness throughout this entire process.

Yours very truly,

Timothy M. Wood
 Vice President
 Administrative Affairs

TMW:hh

MINUTES

COMMISSION ON STATE MANDATES

May 25, 1989

10:00 a.m.

State Capitol, Room 437
Sacramento, California

Present were: Chairperson Russell Gould, Chief Deputy Director, Department of Finance; Fred R. Buenrostro, Representative of the State Treasurer; D. Robert Shuman, Representative of the State Controller; Robert Martinez, Director, Office of Planning and Research; and Robert C. Creighton, Public Member.

There being a quorum present, Chairperson Gould called the meeting to order at 10:02 a.m.

Item 1 Minutes

Chairperson Gould asked if there were any corrections or additions to the minutes of the Commission's hearing of April 27, 1989. There were no corrections or additions.

The minutes were adopted without objection.

Consent Calendar

The following items were on the Commission's consent agenda:

Item 2 Proposed Statement of Decision
Chapter 406, Statutes of 1988
Special Election - Bridges

Item 3 Proposed Statement of Decision
Chapter 583, Statutes of 1985
Infectious Waste Enforcement

Item 4 Proposed Statement of Decision
Chapter 980, Statutes of 1984
Court Audits

Item 5 Proposed Statement of Decision
Chapter 1286, Statutes of 1985
Homeless Mentally Ill

- Item 6 Proposed Parameters and Guidelines Amendment
Chapter 1, Statutes of 1984, 2nd E.S.
Chapter 1118, Statutes of 1987
Health Fee Elimination
- Item 7 Proposed Parameters and Guidelines Amendment
Chapter 8, Statutes of 1988
Democratic Presidential Delegates
- Item 10 Proposed Statewide Cost Estimate
Chapter 498, Statutes of 1983
Education Code Section 48260.5
Notification of Truancy
- Item 12 Proposed Statewide Cost Estimate
Chapter 1226, Statutes of 1984
Chapter 1526, Statutes of 1985
Investment Reports

There being no discussion or appearances on Items 2, 3, 4, 5, 6, 7, 10, and 12, Member Buenrostro moved adoption of the staff recommendation on these items on the consent calendar. Member Martinez seconded the motion. The vote on the motion was unanimous. The motion carried.

The following items were continued:

- Item 13 Proposed Statewide Cost Estimate
Chapter 1335, Statutes of 1986
Trial Court Delay Reduction Act
- Item 16 Test Claim
Chapter 841, Statutes of 1982
Patients' Rights Advocates
- Item 17 Test Claim
Chapter 921, Statutes of 1987
Countywide Tax Rates

The next item to be heard by the Commission was:

- Item 8 Proposed Parameters and Guidelines Amendment
Chapter 961, Statutes of 1975
Collective Bargaining

The party requesting the proposed amendment, Fountain Valley School District, did not appear at the hearing. Carol Miller, appearing on behalf of the Education Mandated Cost Network, stated that the Network was interested in the issue of reimbursing a school district for the time the district Superintendent spent in, or preparing for, collective bargaining issues.

The Commission then discussed the issue of reimbursing the Superintendent's time as a direct cost to the mandated program or as an indirect cost as required by the federal publications OASC-10, and Federal Management Circular 74-4. Upon conclusion of this discussion, the Commission, staff, and Ms. Miller, agreed that the Commission could deny this proposed amendment by the Fountain Valley School District, and Ms. Miller could assist another district in an attempt to amend the parameters and guidelines to allow reimbursement of the Superintendent's cost relative to collective bargaining matters.

Member Creighton then inquired on the issue of holding collective bargaining sessions outside of normal working hours and the number of teachers the parameters and guidelines reimburse for participating in collective bargaining sessions. Ms. Miller stated that because of the classroom disruption that can result from the use of a substitute teacher, bargaining sessions are sometimes held outside of normal work hours for practical reasons. Ms. Miller also stated that the parameters and guidelines permit reimbursement for five substitute teachers.

Member Martinez moved and Member Buenrostro seconded a motion to adopt the staff recommendation to deny the proposed amendments to the parameters and guidelines. The roll call vote on the motion was unanimous. The motion carried.

Item 9 Proposed Statewide Cost Estimate
Chapter 498, Statutes of 1983
Education Code Section 51225.3
Graduation Requirements

Carol Miller appeared on behalf of the claimant, Santa Barbara Unified School District, Jim Apps and Don Enderton appeared on behalf of the Department of Finance, and Rick Knott appeared on behalf of the San Diego Unified School District.

Carol Miller began the discussion on this matter by stating her objection to the Department of Finance raising issues that were already argued in the parameters and guidelines hearings for this mandate. Based on this objection, Ms. Miller requested that the Commission adopt staff's recommendation and allow the Controller's Office to handle any audit exceptions.

Jim Apps stated that because school districts did not report funds that have been received by them, then the data reported in the survey is suspect. Therefore, the Department of Finance is not convinced that the cost estimate based on the data received by the schools is legitimate.

Discussion continued on the validity of the cost estimate and on the figures presented to the Commission for its consideration.

Member Creighton then made a motion to adopt staff's recommendation. Member Shuman seconded the motion. The vote on the motion was: Member Buenrostro, no; Member Creighton, aye; Member Martinez, no; Member Shuman, aye; and Chairperson Gould, no. The motion failed.

Chairperson Gould made an alternative motion that staff, the Department of Finance, and the school districts, conduct a pre-hearing conference and agree on an estimate to be presented to the Commission at a future hearing. Member Buenrostro seconded the motion. The roll call vote on the motion was unanimous. The motion carried.

Item 11 Statewide Cost Estimate
Chapter 815, Statutes of 1979
Chapter 1327, Statutes of 1984
Chapter 757, Statutes of 1985
Short-Doyle Case Management

Pamela Stone, representing the County of Fresno, stated that the county was in agreement with the staff proposed statewide cost estimate of \$20,000,000 for the 1985-86 through 1989-90 fiscal years, and was opposed to the reduction of the costs estimate being proposed by the Department of Mental Health's late filing.

Lynn Whetstone, representing the Department of Mental Health, stated that the Department agrees with the methodology used by Commission staff to develop the cost estimate, however, the Department questioned the manner in which Commission staff extrapolated its survey figures into a statewide estimate. Ms. Whetstone stated that due to the reasons stated in its late filing, the Department believes that the cost estimate be reduced to \$17,280,000.

Member Shuman moved, and Member Martinez seconded a motion to adopt the staff proposed statewide cost estimate of \$20,000,000 for the 1985-86 through 1989-90 fiscal years. The roll call vote on the motion was unanimous. The motion carried.

Item 14 State Mandates Apportionment System
Request for Review of Base Year Entitlement
Chapter 1242, Statutes of 1977
Senior Citizens' Property Tax Postponement

Leslie Hobson appeared on behalf of the claimant, County of Placer, and stated agreement with the staff analysis.

There were no other appearances and no further discussion.

Member Creighton moved approval of the staff recommendation. Member Shuman seconded the motion. The roll call vote was unanimous. The motion carried.

Item 15 Test Claim
Chapter 670, Statutes of 1987
Assigned Judges

Vicki Wajdak and Pamela Stone appeared on behalf of the claimant, County of Fresno. Beth Mullen appeared on behalf of the Administrative Office of

the Courts. Jim Apps appeared on behalf of the Department of Finance. Allan Burdick appeared on behalf of the County Supervisors Association of California. Pamela Stone restated the claimant's position that the revenue losses due to this statute were actually increased costs because Fresno is now required to compensate its part-time justice court judges for work performed on another county while on assignment. Beth Mullen stated her opposition to this interpretation because Fresno's part-time justice court judge cannot be assigned elsewhere until all work required to be performed for Fresno has been completed; therefore, Fresno is only required to compensate the judge for its own work.

There followed discussion by the parties and the Commission regarding the applicability of the Supreme Court's decisions in County of Los Angeles and Lucia Mar. Chairperson Gould asked Commission Counsel Gary Hori whether this statute imposed a new program and higher level of service as contemplated by these two decisions. Mr. Hori stated that it did meet the definition of new program and higher level of service as contemplated by the Supreme Court.

Member Creighton moved to adopt the staff recommendation to find a mandate on counties whose part-time justice court judge is assigned within the home county. Member Shuman seconded the motion. The roll call vote was unanimous. The motion carried.

Item 18 Test Claim
Chapter 1247, Statutes of 1977
Chapter 797, Statutes of 1980
Chapter 1373, Statutes of 1980
Public Law 99-372
Attorney's Fees - Special Education

Chairperson Gould recused himself from the hearing on this item.

Clayton Parker, representing the Newport-Mesa Unified School District, submitted a late filing on the test claim rebutting the staff analysis. Member Creighton stated that he had not had an opportunity to review the late filing and inquired on whether the claim should be heard at this hearing. Staff informed Member Creighton and Member Buenrostro that in reviewing the filing before this item was called, the filing appeared to be summary of the claimant's position on the staff analysis, and that there appeared to be no reason to continue the item.

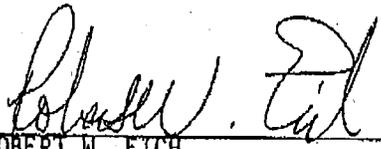
Mr. Parker stated that Commission staff had misstated the events that resulted in the claimant having to pay attorneys' fees to a pupil's guardians, and because of case law, courts do not have any discretion in awarding attorney's fees. Mr. Parker stated that because state legislation has codified the federal Education of the Handicapped Act, school districts are subject to the provisions of Public Law 94-142 and Public Law 99-372. Member Buenrostro then inquired whether staff was comfortable with discussing the issue of a state executive order incorporating federal law.

Minutes
Hearing of May 25, 1989
Page 6

Staff informed the Commission that it was not comfortable discussing this issue, and further noted that it appeared that Mr. Parker was basing his reasoning for finding P.L. 99-372 to be a state mandated program, on the Board of Control's finding that Chapter 1247, Statutes of 1977, and Chapter 797, Statutes of 1980, were a state mandated program. Staff noted that Board of Control's finding is currently the subject of the litigation in Huff v. Commission on State Mandates (Sacramento County Superior Court Case No. 352295).

Member Creighton moved and Member Martinez seconded a motion to continue this item and have legal counsel and staff review the arguments presented by Mr. Parker. The vote on the motion was unanimous. The motion carried.

With no further items on the agenda, Chairperson Gould adjourned the hearing at 11:45 a.m.


ROBERT W. EICH
Executive Director

RWE:GLH:cm:0224g

**DISTRICT'S
INCORRECT REDUCTION CLAIM
FILED WITH THE
COMMISSION ON STATE MANDATES
ON SEPTEMBER 15, 2005**

COMMISSION ON STATE MANDATES

980 NINTH STREET, SUITE 300
SACRAMENTO, CA 95814
PHONE: (916) 323-3562
FAX: (916) 445-0278
E-mail: csminfo@csm.ca.gov



September 20, 2005

Mr. Keith B. Petersen
SixTen and Associates
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

Ms. Ginny Brummels
Division of Accounting and Reporting
State Controller's Office
3301 C Street, Suite 501
Sacramento, CA 95816

Re: **Incorrect Reduction Claim**

Health Fee Elimination, 05-4206-I-09
North Orange County Community College District, Claimant
Education Code Section 76355
Statutes 1984, Chapter 1, 2nd E.S.; Statutes 1987, Chapter 1118
Fiscal Years 2001-2002 and 2002-2003

Dear Mr. Petersen and Ms. Brummels:

On September 15, 2005, the North Orange County Community College District filed an incorrect reduction claim (IRC) with the Commission on State Mandates (Commission) based on the *Health Fee Elimination* program for fiscal years 2001-2002 and 2002-2003. Commission staff determined that the IRC filing is complete.

Government Code section 17551, subdivision (b), requires the Commission to hear and decide upon claims filed by local agencies and school districts that the State Controller's Office (SCO) has incorrectly reduced payments to the local agencies or school districts.

SCO Review and Response. Please file the SCO response and supporting documentation regarding this claim within 90 days of the date of this letter. Please include an explanation of the reason(s) for the reductions and the computation of reimbursements. All documentary evidence must be authenticated by declarations under penalty of perjury signed by persons who are authorized and competent to do so and be based on the declarant's personal knowledge, information or belief. The Commission's regulations also require that the responses (opposition or recommendation) filed with the Commission be simultaneously served on the claimants and their designated representatives, and accompanied by a proof of service. (Cal. Code Regs., tit. 2, § 1185.01.)

The failure of the SCO to respond within this 90-day timeline shall not cause the Commission to delay consideration of this IRC.

Claimant's Rebuttal. Upon receipt of the SCO response, the claimant and interested parties may file rebuttals. The rebuttals are due 30 days from the service date of the response.

Prehearing Conference. A prehearing conference will be scheduled if requested.

Public Hearing and Staff Analysis. The public hearing on this claim will be scheduled after the record closes. A staff analysis will be issued on the IRC at least eight weeks prior to the public hearing.

Dismissal of Incorrect Reduction Claims. Under section 1188.31 of the Commission's regulations, IRCs may be dismissed if postponed or placed on inactive status by the claimant for more than one year. Prior to dismissing a claim, the Commission will provide 60 days notice and opportunity for the claimant to be heard on the proposed dismissal.

Please contact Tina Poole at (916) 323-8220 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Patton". The signature is fluid and cursive, with a large initial "N" and "P".

NANCY PATTON
Assistant Executive Director

Enclosure: Incorrect Reduction Claim Filing - (SCO only)

C-1

SixTen and Associates

Mandate Reimbursement Services

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

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

September 13, 2005



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

RE: Health Fee Elimination
Fiscal Years: 2001-02 through 2002-3
Incorrect Reduction Claim

Dear Ms. Higashi:

Enclosed is the original and two copies of the above referenced incorrect reduction claim for North Orange County Community College District.

SixTen and Associates has been appointed by the District as its representative for this matter and all interested parties should direct their inquiries to me, with a copy as follows:

Fred Williams, Vice Chancellor
Finance & Facilities
North Orange County Community College District
1830 W. Romneya Drive
Anaheim, CA 92801-1819

Thank-you.

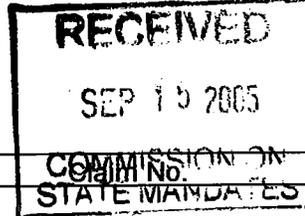
Sincerely,

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

Keith B. Petersen

State of California
COMMISSION ON STATE MANDATES
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562
CSM 2 (12/89)

For Official Use Only



NCORRECT REDUCTION CLAIM FORM

Local Agency or School District Submitting Claim

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT

Contact Person

Keith B. Petersen, President
SixTen and Associates
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

Telephone Number

Voice: 858-514-8605
Fax: 858-514-8645
E-mail: Kbpsixten@aol.com

Address

Fred Williams, Vice Chancellor
Finance & Facilities
North Orange County Community College District
1830 W. Romneya Drive
Anaheim, CA 92801-1819

Representative Organization to be Notified

Robert Miyashiro, Consultant, Education Mandated Cost Network
c/o School Services of California
1121 L Street, Suite 1060
Sacramento, CA 95814

Telephone Number

Voice: 916-446-7517
Fax: 916-446-2011
E-Mail robertm@SSCal.com

This claim alleges an incorrect reduction of a reimbursement claim filed with the State Controller's Office pursuant to section 17561 of the Government Code. This incorrect reduction claim is filed pursuant to section 17561(b) of the Government Code.

CLAIM IDENTIFICATION: Specify Statute or Executive Order

HEALTH FEE ELIMINATION Chapter 1, Statutes of 1984, 2nd E.S. Education Code Section 76355
Chapter 1118, Statutes of 1987

<u>Fiscal Year</u>	<u>Amount of the Incorrect Reduction</u>
2001-2002	\$180,420
2002-2003	\$166,162
Total Amount	\$346,582

IMPORTANT: PLEASE SEE INSTRUCTIONS AND FILING REQUIREMENTS FOR COMPLETING AN INCORRECT REDUCTION CLAIM ON THE REVERSE SIDE.

Name and Title of Authorized Representative

Fred Williams, Vice Chancellor
Finance and Facilities

Telephone No.

Voice: 714-808-4751
Fax: 714-808-4733
E-Mail: Fwilliams@noccdd.cc.ca.us

Signature of Authorized Representative

Date

X

August 24, 2005

1 Claim Prepared by:
2 Keith B. Petersen
3 SixTen and Associates
4 5252 Balboa Avenue, Suite 807
5 San Diego, California 92117
6 Voice: (858) 514-8605
7 Fax: (858) 514-8645
8

9 BEFORE THE

10 COMMISSION ON STATE MANDATES

11 STATE OF CALIFORNIA

12 INCORRECT REDUCTION CLAIM OF:)
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28)

No. CSM _____

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

NORTH ORANGE COUNTY
Community College District,

Education Code Section 76355

Health Fee Elimination

Claimant.

Annual Reimbursement Claims:

Fiscal Year 2001-02

Fiscal Year 2002-03

INCORRECT REDUCTION CLAIM FILING

29 PART I. AUTHORITY FOR THE CLAIM

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

Incorrect Reduction Claim of North Orange County Community College District
1/84; 118/87 Health Fee Elimination

1 Section 17519.¹ Title 2, CCR, Section 1185 (a), requires the claimant to file an
2 incorrect reduction claim with the Commission.

3 This incorrect reduction claim is timely filed. Title 2, CCR, Section 1185 (b),
4 requires incorrect reduction claims to be filed no later than three years following the
5 date of the Controller's remittance advice notifying the claimant of a reduction. A
6 Controller's audit report dated July 22, 2005 was issued, but no remittance advices
7 have been issued. The audit report constitutes a demand for repayment and
8 adjudication of the claim.

9 There is no alternative dispute resolution process available from the Controller's
10 Office. In response to an audit issued March 10, 2004, Foothill-De Anza Community
11 College attempted to utilize the informal audit review process established by the
12 Controller to resolve factual disputes. The Foothill-De Anza was notified by the
13 Controller's legal counsel by letter dated July 15, 2004 (attached as Exhibit "A"), that
14 the Controller's informal audit review process was not available for mandate audits and
15 that the proper forum was the Commission on State Mandates.

16 **PART II. SUMMARY OF THE CLAIM**

17 The Controller conducted a field audit of the District's annual reimbursement

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

"'School district' means any school district, community college district, or county
superintendent of schools."

Incorrect Reduction Claim of North Orange County Community College District
1/84; 118/87 Health Fee Elimination

1 claims for the District's actual costs of complying with the legislatively mandated Health
2 Fee Elimination program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session and
3 Chapter 1118, Statutes of 1987) for the period of July 1, 2001 through June 30, 2003.
4 As a result of the audit, the Controller determined that \$346,582 of the claimed costs
5 were unallowable:

6	Fiscal	Amount	Audit	SCO	Amount Due
7	<u>Year</u>	<u>Claimed</u>	<u>Adjustment</u>	<u>Payments</u>	<u><State> District</u>
8	2001-02	\$325,087	\$180,420	\$106,264	\$ 38,403
9	2002-03	<u>\$467,078</u>	<u>\$166,162</u>	<u>\$ 0</u>	<u>\$300,916</u>
10	Totals	\$792,165	\$346,582	\$106,264	\$339,319

11 Since the District has been paid \$106,264 for these claims, the audit report concludes
12 that the amount of \$339,319 is due the District and will be paid "contingent upon
13 available appropriations."

14 **PART III. PREVIOUS INCORRECT REDUCTION CLAIMS**

15 The District has not filed any previous incorrect reduction claims for this
16 mandate program. The District is not aware of any other incorrect reduction claims
17 having been adjudicated on the specific issues or subject matter raised by this incorrect
18 reduction claim.

19 **PART IV. BASIS FOR REIMBURSEMENT**

20 1. Mandate Legislation

21 Chapter 1, Statutes of 1984, 2nd Extraordinary Session, repealed Education

Incorrect Reduction Claim of North Orange County Community College District
1/84; 118/87 Health Fee Elimination

1 Code Section 72246 which had authorized community college districts to charge a
2 student health services fee for the purpose of providing health supervision and
3 services, direct and indirect medical and hospitalization services, and operation of
4 student health centers. This statute also required the scope of health services for
5 which a community college district charged a fee during the 1983-84 fiscal year be
6 maintained at that level in the 1984-85 fiscal year and every year thereafter. The
7 provisions of this statute were to automatically repeal on December 31, 1987.

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

12 Chapter 8, Statutes of 1993, Section 29, repealed Education Code Section
13 72246, effective April 15, 1993. Chapter 8, Statutes of 1993, Section 34, added
14 Education Code Section 76355², containing substantially the same provisions as former

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

"(a) The governing board of a district maintaining a community college may require community college students to pay a fee in the total amount of not more than ten dollars (\$10) for each semester, seven dollars (\$7) for summer school, seven dollars (\$7) for each intersession of at least four weeks, or seven dollars (\$7) for each quarter for health supervision and services, including direct or indirect medical and hospitalization services, or the operation of a student health center or centers, or both.

The governing board of each community college district may increase this fee by the same percentage increase as the Implicit Price Deflator for State and Local

**Incorrect Reduction Claim of North Orange County Community College District
1/84; 118/87 Health Fee Elimination**

Government Purchase of Goods and Services. Whenever that calculation produces an increase of one dollar (\$1) above the existing fee, the fee may be increased by one dollar (\$1).

(b) If, pursuant to this section, a fee is required, the governing board of the district shall decide the amount of the fee, if any, that a part-time student is required to pay. The governing board may decide whether the fee shall be mandatory or optional.

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

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

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

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

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

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

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

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

Incorrect Reduction Claim of North Orange County Community College District
1/84; 118/87 Health Fee Elimination

1 Section 72246, effective April 15, 1993.

2 2. Test Claim

3 On December 2, 1985, Rio Hondo Community College District filed a test claim
4 alleging that Chapter 1, Statutes of 1984, 2nd Extraordinary Session, by eliminating the
5 authority to levy a fee and by requiring a maintenance of effort, mandated additional
6 costs by mandating a new program or the higher level of service of an existing program
7 within the meaning of California Constitution Article XIII B, Section 6.

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

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

19 /

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

Incorrect Reduction Claim of North Orange County Community College District
1/84; 118/87 Health Fee Elimination

1 3. Parameters and Guidelines

2 On August 27, 1987, the original parameters and guidelines were adopted. On
3 May 25, 1989, those parameters and guidelines were amended. A copy of the
4 parameters and guidelines, as amended on May 25, 1989, is attached as Exhibit "B."

5 So far as is relevant to the issues presented below, the parameters and
6 guidelines state:

7 "V. REIMBURSABLE COSTS

8 A. Scope of Mandate

9 Eligible community college districts shall be reimbursed for
10 the costs of providing a health services program. Only
11 services provided in 1986-87 fiscal year may be claimed.

12 ...

14 VI. CLAIM PREPARATION

15 ...
16 B...

 3. Allowable Overhead Cost

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

20 VII. SUPPORTING DATA

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

24 VIII OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

25 Any offsetting savings the claimant experiences as a direct result
26 of this statute must be deducted from the costs claimed. In
27 addition, reimbursement for this mandate received from any
28 source, e.g., federal, state, etc., shall be identified and deducted

1 from this claim. This shall include the amount of \$7.50 per full-time
2 student per semester, \$5.00 per full-time student for summer
3 school, or \$5.00 per full-time student per quarter, as authorized by
4 Education Code section 72246(a). This shall also include
5 payments (fees) received from individuals other than students who
6 are not covered by Education Code Section 72246 for health
7 services.

8 ...”

9 4. Claiming Instructions

10 The Controller has annually issued or revised claiming instructions for the
11 Health Fee Elimination mandate. A copy of the September 1997 revision of the
12 claiming instructions is attached as Exhibit “C.” The September 1997 claiming
13 instructions are believed to be, for the purposes and scope of this incorrect reduction
claim, substantially similar to the version extant at the time the claims which are the
15 subject of this incorrect reduction claim were filed. However, since the Controller’s
16 claim forms and instructions have not been adopted as regulations, they have no force
17 of law, and, therefore, have no effect on the outcome of this incorrect reduction claim.

18 PART V. STATE CONTROLLER CLAIM ADJUDICATION

19 The Controller conducted an audit of District’s annual reimbursement claims for
20 fiscal years 2001-02 and 2002-03. The audit concluded that 56% of the District’s costs
21 for the two claim years were allowable. A copy of the July 22, 2005-audit report is
22 attached as Exhibit “D.”

23 VI. CLAIMANT’S RESPONSE TO THE STATE CONTROLLER

24 By letter dated October May 6, 2005, the Controller transmitted a copy of its draft

1 audit report. By letter dated June 15, 2005, the District objected to the proposed
2 adjustments set forth in the draft audit report. A copy of District's letter of June 15,
3 2005, is attached as Exhibit "E." The Controller then issued its final audit report to
4 remove the findings for FY 2000-01 as described in the statute of limitations issue
5 below.

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

7 **Finding 1 - Overstated Indirect Costs**

8 The District does not dispute this adjustment.

9 **Finding 2 - Understated Authorized Health Fee Revenues Claimed**

10 The Controller asserts that the "authorized health fee revenues" were
understated by \$252,286 for the two fiscal years. The Controller concluded that the
12 district "understated" total district enrollment, "overstated" the number of enrolled
13 students exempt from paying the health fees, and "understated" the amount of the
14 "authorized" student health service fee amount by \$1 for three semesters. The
15 adjustment amounts are based on the Controller's recalculation of student enrollment,
16 exempt students, and the student health services fees which may have been
17 "collectible" which was then compared to the District's student health fee revenues
18 actually received.

19 **ENROLLMENT AND EXEMPT STUDENTS**

20 The District is not disputing the audited student enrollment and audited number

Incorrect Reduction Claim of North Orange County Community College District
1/84; 118/87 Health Fee Elimination

1 of exempt students.

2 **STUDENT FEES**

3 Education Code Section 76355

4 The Controller alleges that claimants must compute the total student health fees
5 collectible and reduce claimed costs by this amount even if those fees are not collected
6 in full or part. Education Code Section 76355, subdivision (a), in relevant part,
7 provides: "The governing board of a district maintaining a community college *may*
8 *require* community college students to pay a fee . . . for health supervision and services
9 . . ." There is no requirement that community colleges levy these fees. The permissive
10 nature of the provision is further illustrated in subdivision (b) which states "*If, pursuant*
11 *to this Section, a fee is required, the governing board of the district shall decide the*
12 *amount of the fee, if any, that a part-time student is required to pay. The governing*
13 *board may decide whether the fee shall be mandatory or optional.*"

14 Parameters and Guidelines

15 This Controller states that the "*Parameters and Guidelines* states that health
16 fees authorized by the *Education Code* must be deducted from costs claimed." The
17 parameters and guidelines do not state this, but instead state:

18 "Any offsetting savings that the claimant experiences as a direct result of
19 this statute must be deducted from the costs claimed. In addition,
20 reimbursement for this mandate received from any source, e.g., federal, state,
21 etc., shall be identified and deducted from this claim. This shall include the

Incorrect Reduction Claim of North Orange County Community College District
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1 amount of [student fees] as authorized by Education Code Section 72246(a)³."

2 In order for the district to "experience" these "offsetting savings" the district must
3 actually have collected these fees. Student fees actually collected must be used to
4 offset costs, but not student fees that could have been collected and were not. The use
5 of the term "any offsetting savings" further illustrates the permissive nature of the fees.

6 Government Code Section 17514

7 The Controller relies upon Government Code Section 17514 for the conclusion
8 that "[i]f community college districts can charge a fee, then they cannot (sic) are not
9 required to incur a cost." Government Code Section 17514, as added by Chapter 1459,
10 Statutes of 1984, actually states:

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

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

20 Government Code Section 17556

21 The Controller relies upon Government Code Section 17556 for the conclusion

³ Former Education Code Section 72246 was repealed by Chapter 8, Statutes of 1993, Section 29, and was replaced by Education Code Section 76355.

Incorrect Reduction Claim of North Orange County Community College District
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1 that "the Commission on State Mandates must not find costs to be mandated by the
2 State if the school district has the authority to levy fees to pay for the mandated
3 program or increased level of service." Government Code Section 17556 as last
4 amended by Chapter 589/89 actually states:

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

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

11 The Controller misrepresents the law. Government Code Section 17556 prohibits the
12 Commission on State Mandates from finding costs subject to reimbursement, that is
13 approving a test claim activity for reimbursement, where there is authority to levy fees
14 in an amount sufficient to offset the entire mandated costs. Here, the Commission has
15 already approved the test claim and made a finding of a new program or higher level of
16 service for which the claimants do not have the ability to levy a fee in an amount
17 sufficient to offset the entire mandated costs.

18 Student Health Services Fee Amount

19 The Controller asserts that the district should have collected a student health
20 service fee each semester from non-exempt students in the amount of \$9, or \$12
21 depending on the fiscal year and whether the student is enrolled full time or part time.
22 Districts receive notice of these fee amounts from the Chancellor of the California
23 Community Colleges. An example of one such notice is the letter dated March 5, 2001,

Incorrect Reduction Claim of North Orange County Community College District
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1 attached as Exhibit "F." While Education Code Section 76355 provides for an increase
2 in the student health service fee, it did not grant the Chancellor the authority to
3 establish mandatory fee amounts or mandatory fee increases. No state agency was
4 granted that authority by the Education Code, and no state agency has exercised its
5 rulemaking authority to establish mandatory fees amounts. It should be noted that the
6 Chancellor's letter properly states that increasing the amount of the fee is at the option
7 of the district, and that the Chancellor is not asserting that authority. Therefore, the
8 Controller cannot rely upon the Chancellor's notice as a basis to adjust the claim for
9 "collectible" student health services fees.

10 Fees Collected vs. Fees Collectible

This issue is one of student health fees revenue actually received, rather than
12 student health fees which might be collected. The Commission determined, as stated
13 in the parameters and guidelines, that the student fees "experienced" (*collected*) would
14 reduce the amount subject to reimbursement. Student fees not collected are student
15 fees not "experienced" and as such should not reduce reimbursement. Further, the
16 amount "collectible" will never equal actual revenues collected due to changes in
17 student's BOGG eligibility, bad debt accounts, and refunds.

18 Because districts are not required to collect a fee from students for student
19 health services, and if such a fee is collected, the amount is to be determined by the
20 District and not the Controller, the Controller's adjustment is without legal basis. What
21 claimants are required by the parameters and guidelines to do is to reduce the amount

Incorrect Reduction Claim of North Orange County Community College District
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1 of their claimed costs by the amount of student health services fee revenue actually
2 received. Therefore, student health fees are merely collectible, they are not
3 mandatory, and it is inappropriate to reduce claim amounts by revenues not received.

4 **Statute of Limitations for Audit**

5 This issue is not a finding of the Controller. The draft audit report dated May 6,
6 2005 included the three fiscal years audited by the Controller: FY 2000-01, FY 2001-
7 02, and FY2002-03. In its letter dated June 15, 2005, the District asserted that the
8 statute of limitations for the audit of the FY 2000-01 claim expired December 31, 2003,
9 pursuant to Government Code Section 17558.5, because the audit report was issued
10 after that date. In the final audit report dated July 22, 2005, the Controller agreed that
11 FY 2000-01 was past audit, but for another reason, the stated reason being that the
12 "FY 2000-01 claim was not subject to audit due to the expiration of the statute of
13 limitations within which to initiate an audit." It should be noted that the audit entrance
14 conference date was January 26, 2004, which is the date, according to the Controller,
15 that an audit is "initiated."

16 Statutory History

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

Incorrect Reduction Claim of North Orange County Community College District
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1 reimbursement claims:

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

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

11 Statutes of 1995, Chapter 945, Section 13, operative July 1, 1996, repealed and
12 replaced Section 17558.5, changing only the period of limitations:

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

19 The District filed the annual reimbursement claim for FY 2000-01 on December
20 5, 2001. This made the claim subject to Government Code Section 17558.5 as
21 amended by Chapter 945/95. Since funds were appropriated for the program for all the
22 fiscal years which are the subject of the audit, the alternative “initiation” measurement
23 date is not applicable, and the potential factual issue of when the audit is initiated is not
24 relevant.

25 Statutes of 2002, Chapter 1128, Section 14.5, operative January 1, 2003
26 amended Section 17558.5 to state:

Incorrect Reduction Claim of North Orange County Community College District
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1 “(a) A reimbursement claim for actual costs filed by a local agency or school
2 district pursuant to this chapter is subject to the initiation of an audit by the
3 Controller no later than three years after the ~~end of the calendar year in which~~
4 ~~the date that the actual~~ reimbursement claim is filed or last amended,
5 whichever is later. However, if no funds are appropriated or no payment is made
6 to a claimant for the program for the fiscal year for which the claim is made filed,
7 the time for the Controller to initiate an audit shall commence to run from the
8 date of initial payment of the claim.”
9

10 The amendment is pertinent since it indicates this is the first time that the factual
11 issue of the date the audit is “initiated” for mandate programs for which funds are
12 appropriated is introduced. Therefore, at the time the claim is filed, it is impossible for
13 the claimant to know when the statute of limitations will expire, which is contrary to the
14 purpose of a statute of limitations.

15 Statutes of 2004, Chapter 890, Section 18, operative January 1, 2005 amended

16 Section 17558.5 to state:

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

27 The amendment is pertinent since it indicates this is the first time that the
28 Controller audits may be completed at a time other than the stated period of limitations.

29 The Controller did not complete the audit within the statutory period allowed for
30 FY 2000-01 and the “date initiated” standard for tolling the statute of limitations does

1 not apply to this fiscal year claim.

2 **PART VIII. RELIEF REQUESTED**

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

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

20 /

21 /

Incorrect Reduction Claim of North Orange County Community College District
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PART IX. CERTIFICATION

By my signature below, I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this incorrect reduction claim submission is true and complete to the best of my own knowledge or information or belief, and that the attached documents are true and correct copies of documents received from or sent by the state agency which originated the document.

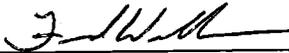
Executed on August 24, at Anaheim, California, by



Fred Williams, Vice-Chancellor Finance and Facilities
North Orange County Community College District
1830 West Romneya Drive
Anaheim, San Mateo, CA 92801-1819
Voice: 714-808-4751
Fax: 714-808-4738
E-Mail: Fwilliams@nocccd.cc.ca.us

APPOINTMENT OF REPRESENTATIVE

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



8/24/05

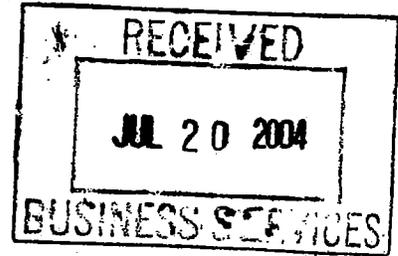
Fred Williams, CPA, Vice Chancellor
Finance and Facilities
North Orange County Community College District

Date

Attachments:

Exhibit "A"	Controller's Legal Counsel Letter dated July 15, 2004
Exhibit "B"	Parameters and Guidelines, as amended May 25, 1989
Exhibit "C"	Controller's Claiming Instructions September 1997
Exhibit "D"	SCO Audit Report date July 22, 2005
Exhibit "E"	Claimant's Letter dated June 15, 2005
Exhibit "F"	Chancellor's Letter dated March 5, 2001

Exhibit A



STEVE WESTLY
California State Controller

July 15, 2004

Mike Brandy, Vice Chancellor
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos, CA 94022

Re: Foothill-De Anza Community College District Audit

Dear Mr. Brandy:

This is in response to your letter to me dated May 13, 2004, concerning the Controller's Audit of the Health Fee claim.

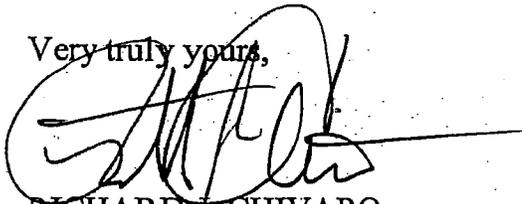
The Controller's informal audit review process was established to resolve factual disputes where no other forum for resolution, other than a judicial proceeding, is available.

The proper forum for resolving issues involving mandated cost programs is through the incorrect reduction process through the Commission on State Mandates. As such, this office will not be scheduling an informal conference for this matter.

However, in light of the concerns expressed in your letter concerning the auditors assigned and the validity of the findings, I am forwarding your letter to Vince Brown, Chief Operating Officer, for his review and response.

If you have any questions you may contact Mr. Vince Brown at (916) 445-2038.

Very truly yours,



RICHARD J. CHIVARO
Chief Counsel

RJC/st

cc: Vincent P. Brown, Chief Operating Officer, State Controller's Office
Jeff Brownfield, Chief, Division of Audits, State Controller's Office

Exhibit B

Adopted: 8/27/87
Amended: 5/25/89

PARAMETERS AND GUIDELINES
Chapter 1, Statutes of 1984, 2nd E.S.
Chapter 1118, Statutes of 1987
Health Fee Elimination

I. SUMMARY OF MANDATE

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

Chapter 1118, Statutes of 1987, amended Education Code section 72246 to require any community college district that provided health services in 1986-87 to maintain health services at the level provided during the 1986-87 fiscal year in 1987-88 and each fiscal year thereafter.

II. COMMISSION ON STATE MANDATES' DECISION

At its hearing on November 20, 1986, the Commission on State Mandates determined that Chapter 1, Statutes of 1984, 2nd E.S. imposed a "new program" upon community college districts by requiring any community college district which provided health services for which it was authorized to charge a fee pursuant to former Section 72246 in the 1983-84 fiscal year to maintain health services at the level provided during the 1983-84 fiscal year in the 1984-85 fiscal year and each fiscal year thereafter. This maintenance of effort requirement applies to all community college districts which levied a health services fee in the 1983-84 fiscal year, regardless of the extent to which the health services fees collected offset the actual costs of providing health services at the 1983-84 fiscal year level.

At its hearing of April 27, 1989, the Commission determined that Chapter 1118, Statutes of 1987, amended this maintenance of effort requirement to apply to all community college districts which provided health services in fiscal year 1986-87 and required them to maintain that level in fiscal year 1987-88 and each fiscal year thereafter.

III. ELIGIBLE CLAIMANTS

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

IV. PERIOD OF REIMBURSEMENT

Chapter 1, Statutes of 1984, 2nd E.S., became effective July 1, 1984. Section 17557 of the Government Code states that a test claim must be submitted on or before November 30th following a given fiscal year to establish for that fiscal year. The test claim for this mandate was filed on November 27, 1985; therefore, costs incurred on or after July 1, 1984, are reimbursable. Chapter 1118, Statutes of 1987, became effective January 1, 1988. Title 2, California Code of Regulations, section 1185.3(a) states that a parameters and guidelines amendment filed before the deadline for initial claims as specified in the Claiming Instructions shall apply to all years eligible for reimbursement as defined in the original parameters and guidelines; therefore, costs incurred on or after January 1, 1988, for Chapter 1118, Statutes of 1987, are reimbursable.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim if applicable. Pursuant to Section 17561(d)(3) of the Government Code, all claims for reimbursement of costs shall be submitted within 120 days of notification by the State Controller of the enactment of the claims bill.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code Section 17564.

V. REIMBURSABLE COSTS

A. Scope of Mandate

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

B. Reimbursable Activities

For each eligible claimant, the following cost items are reimbursable to the extent they were provided by the community college district in fiscal year 1986-87:

ACCIDENT REPORTS

APPOINTMENTS

- College Physician - Surgeon
 - Dermatology, Family Practice, Internal Medicine
- Outside Physician
- Dental Services
- Outside Labs (X-ray, etc.)
- Psychologist, full services
- Cancel/Change Appointments
- R.N.
- Check Appointments

ASSESSMENT, INTERVENTION & COUNSELING

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

EXAMINATIONS (Minor Illnesses)

- Recheck Minor Injury

HEALTH TALKS OR FAIRS - INFORMATION

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

FIRST AID (Major Emergencies)

FIRST AID (Minor Emergencies)

FIRST AID KITS (Filled)

IMMUNIZATIONS

- Diphtheria/Tetanus
- Measles/Rubella
- Influenza
- Information

INSURANCE

On Campus Accident
Voluntary
Insurance Inquiry/Claim Administration

LABORATORY TESTS DONE

Inquiry/Interpretation
Pap Smears

PHYSICALS

Employees
Students
Athletes

MEDICATIONS (dispensed OTC for misc. illnesses)

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

PARKING CARDS/ELEVATOR KEYS

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

REFERRALS TO OUTSIDE AGENCIES

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

TESTS

Blood Pressure
Hearing
Tuberculosis
 Reading
 Information
Vision
Glucometer
Urinalysis

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

MISCELLANEOUS

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

COMMITTEES

Safety
Environmental
Disaster Planning

SAFETY DATA SHEETS

Central file

X-RAY SERVICES

COMMUNICABLE DISEASE CONTROL

BODY FAT MEASUREMENTS

MINOR SURGERIES

SELF-ESTEEM GROUPS

MENTAL HEALTH CRISIS

AA GROUP

ADULT CHILDREN OF ALCOHOLICS GROUP

WORKSHOPS

Test Anxiety
Stress Management
Communication Skills
Weight Loss
Assertiveness Skills

VI. CLAIM PREPARATION

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

A. Description of Activity

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

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

Claimed costs should be supported by the following information:

1. Employee Salaries and Benefits

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

2. Services and Supplies

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

3. Allowable Overhead Cost

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

VII. SUPPORTING DATA

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

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

VIII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

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

IX. REQUIRED CERTIFICATION

The following certification must accompany the claim:

I DO HEREBY CERTIFY under penalty of perjury:

THAT the foregoing is true and correct:

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

and

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

Signature of Authorized Representative

Date

Title

Telephone No.

HEALTH FEE ELIMINATION

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

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

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

2. Eligible Claimants

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

3. Appropriations

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

4. Types of Claims

A. Reimbursement and Estimated Claims

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

B. Minimum Claim

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

5. Filing Deadline

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

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

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

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

6. Reimbursable Components

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

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

\$10.00 per semester

\$5.00 for summer school

\$5.00 for each quarter

Beginning with the summer of 1997, the fees are:

\$11.00 per semester

\$8.00 for summer school or

\$8.00 for each quarter

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

7. Reimbursement Limitations

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

8. Claiming Forms and Instructions

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

A. Form HFE- 2, Health Services

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

B. Form HFE-1.1, Claim Summary

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

C. Form HFE-1.0, Claim Summary

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

D. Form FAM-27, Claim for Payment

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

Illustration of Claim Forms

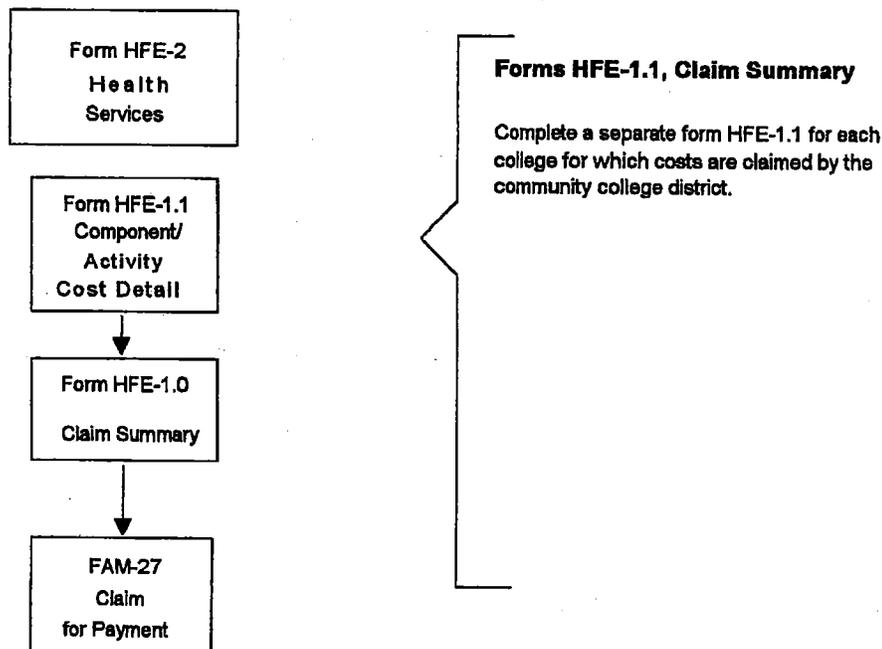


Exhibit D

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT

Audit Report

HEALTH FEE ELIMINATION PROGRAM

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

July 1, 2001, through June 30, 2003



STEVE WESTLY
California State Controller

July 2005



STEVE WESTLY
California State Controller

July 22, 2005

Jerome Hunter, Ed. D., Chancellor
North Orange Community College District
1830 West Romneya Drive
Anaheim, CA 92801-1819

Dear Dr. Hunter:

The State Controller's Office audited the claims filed by the North Orange County Community College District for costs of the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session, and Chapter 1118, Statutes of 1987) for the period of July 1, 2001, through June 30, 2003.

The district claimed \$792,165 for the mandated program. Our audit disclosed that \$445,583 is allowable and \$346,582 is unallowable. The unallowable costs occurred because the district overstated indirect costs and understated applicable offsetting revenues. The State paid the district \$106,264. The State will pay allowable costs claimed that exceed the amount paid, totaling \$339,319, 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 (COSM). 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 COSM's Web site, at www.csm.ca.gov (Guidebook link); you may obtain IRC forms by telephone at (916) 323-3562 or by e-mail at csminfo@csm.ca.gov.

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

Sincerely,

VINCENT P. BROWN
Chief Operating Officer

VPB:JVB/ams

cc: Fred Williams, District Director, Fiscal Affairs
North Orange County Community College District
Ed Monroe, Program Assistant, Fiscal Accountability Section
California Community Colleges Chancellor's Office
Jeannie Oropeza, Program Budget Manager
Education Systems Unit, Department of Finance

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Audit Report

Summary

The State Controller's Office (SCO) audited the claims filed by the North Orange County Community College District for costs of the legislatively mandated Health Fee Elimination Program (Chapter 1, Statutes of 1984, 2nd Extraordinary Session, and Chapter 1118, Statutes of 1987) for the period of July 1, 2001, through June 30, 2003. The last day of fieldwork was August 11, 2004.

The district claimed \$792,165 for the mandated program. The audit disclosed that \$445,583 is allowable and \$346,582 is unallowable. The unallowable costs occurred because the district overstated indirect costs and understated applicable offsetting revenues. The State paid the district \$106,264. The State will pay allowable costs claimed that exceed the amount paid, totaling \$339,319, contingent upon available appropriations.

Background

Education Code Section 72246 (repealed by Chapter 1, Statutes of 1984, 2nd Extraordinary Session [E.S.]) authorizes community college districts to charge a health fee for providing health supervision and services, direct and indirect medical and hospitalization services, and for operation of student health centers. This statute also required that health services for which a community college district charged a fee during fiscal year (FY) 1983-84 must be maintained at that level in FY 1984-85 and every year thereafter. The provisions of this statute would automatically sunset on December 31, 1987, at which time the community college districts' authority to charge a health fee as specified would be reinstated.

Education Code Section 72246 (amended by Chapter 1118, Statutes of 1987) requires any community college district that provided health services in FY 1986-87 to maintain health services at the level provided during that year in FY 1987-88 and each fiscal year thereafter.

On November 20, 1986, the Commission on State Mandates (COSM) determined that Chapter 1, Statutes of 1984, 2nd E.S., imposed a "new program" upon community college districts by requiring any community college district that provided health services for which it was authorized to charge a fee pursuant to former *Education Code* Section 72246 in FY 1983-84 to maintain health services at the level provided during that year in FY 1984-85 and each fiscal year thereafter. This maintenance-of-effort requirement applies to all community college districts that levied a health services fee in FY 1983-84, regardless of the extent to which the health services fees collected offset the actual costs of providing health services at the FY 1983-84 level.

On April 27, 1989, COSM determined that Chapter 1118, Statutes of 1987, amended this maintenance-of-effort requirement to apply to all community college districts that provided health services in FY 1986-87, and required them to maintain that level in FY 1987-88 and each fiscal year thereafter.

Parameters and Guidelines establishes the state mandate and defines reimbursement criteria. COSM adopted *Parameters and Guidelines* on August 27, 1987, and amended it on May 25, 1989. In compliance with *Government Code* Section 17558, the SCO issues claiming instructions for mandated programs in order to assist school districts in claiming reimbursable costs.

Objective, Scope, and Methodology

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Health Fee Elimination Program for the period of July 1, 2001, through June 30, 2003.

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

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

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

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 North Orange County Community College District claimed \$792,165 for Health Fee Elimination Program costs. Our audit disclosed that \$445,583 is allowable and \$346,582 is unallowable.

For FY 2001-02, the State paid the district \$106,264. Our audit disclosed that \$144,667 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$38,403, contingent upon available appropriations.

For FY 2002-03, the State made no payment to the district. Our audit disclosed that \$300,916 is allowable. The State will pay allowable costs claimed, totaling \$300,916, contingent upon available appropriations.

**Views of
Responsible
Official**

We issued a draft audit report on May 6, 2005. Fred Williams, Vice Chancellor, Finance & Facilities, responded by letter dated June 15, 2005 (Attachment), disagreeing with the audit results in Finding 2. The district correctly noted that its FY 2000-01 claim was not subject to audit due to the expiration of the statute of limitations within which to initiate an audit. Consequently, the audit results for FY 2000-01 have been removed from this report. The district did not respond to Finding 1. This final 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.



JEFFREY V. BROWNFIELD
Chief, Division of Audits

**Schedule 1—
Summary of Program Costs
July 1, 2001, through June 30, 2003**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference ¹
<u>July 1, 2001, through June 30, 2002</u>				
Salaries	\$ 506,087	\$ 506,087	\$ —	
Benefits	112,438	112,438	—	
Materials and supplies	38,414	38,414	—	
Travel	1,594	1,594	—	
Contract services	37,459	37,459	—	
Other operating expenses	32,306	32,306	—	
Capital outlays	13,960	13,960	—	
Total direct costs	742,258	742,258	—	
Indirect costs	282,058	235,039	(47,019)	Finding 1
Total health expenditures	1,024,316	977,297	(47,019)	
Less offsetting savings/reimbursements	(672,891)	(806,292)	(133,401)	Finding 2
Adjustment for health fees exceeding health expenditures	(26,338)	(26,338)	—	
Total program costs	<u>\$ 325,087</u>	144,667	<u>\$ (180,420)</u>	
Less amount paid by the State		(106,264)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 38,403</u>		
<u>July 1, 2002, through June 30, 2003</u>				
Salaries	\$ 564,869	\$ 564,869	\$ —	
Benefits	144,860	144,860	—	
Materials and supplies	41,801	41,801	—	
Travel	1,826	1,826	—	
Contract services	36,025	36,025	—	
Other operating expenses	33,302	33,302	—	
Capital outlays	8,268	8,268	—	
Total direct costs	830,951	830,951	—	
Indirect costs	324,071	276,794	(47,277)	Finding 1
Total health expenditures	1,155,022	1,107,745	(47,277)	
Less offsetting savings/reimbursements	(687,944)	(806,829)	(118,885)	Finding 2
Adjustment for health fees exceeding health expenditures	—	—	—	
Total program costs	<u>\$ 467,078</u>	300,916	<u>\$ (166,162)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 300,916</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference ¹
Summary: July 1, 2001, through June 30, 2003				
Salaries	\$1,070,956	\$1,070,956	\$ —	
Benefits	257,298	257,298	—	
Materials and supplies	80,215	80,215	—	
Travel	3,420	3,420	—	
Contract services	73,484	73,484	—	
Other operating expenses	65,608	65,608	—	
Capital outlays	22,228	22,228	—	
Total direct costs	1,573,209	1,573,209	—	
Less cost of services in excess of base year	—	—	—	
Subtotal	1,573,209	1,573,209	—	
Indirect costs	606,129	511,833	(94,296)	Finding 1
Total health expenditures	2,179,338	2,085,042	(94,296)	
Less offsetting savings/reimbursements	(1,360,835)	(1,613,121)	(252,286)	Finding 2
Adjustment for health fees exceeding health expenditures	(26,338)	(26,338)	—	
Total program costs	<u>\$ 792,165</u>	445,583	<u>\$ (346,582)</u>	
Less amount paid by the State		(106,264)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 339,319</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Overstated indirect costs

The district overstated indirect costs by \$94,296 during the audit.

The overstatement occurred because the district improperly applied its claimed indirect cost rate to direct costs of supplies and materials, travel expense, contract services, capital outlays, and other operating expenses. The district used indirect cost rates of 38% for fiscal year (FY) 2001-02 and 39% for FY 2002-03 that were based on Office of Management and Budget (OMB) Circular A-21 and approved by the U.S. Department of Health and Human Services. The approval letters, dated June 12, 1998, and August 12, 2002, stated that the district's indirect cost rates used a base consisting of "Direct Salaries and Wages including vacation, holiday, sick pay, and other paid absences but excluding all other fringe benefits." During the audit period, the district improperly applied the indirect cost rate to direct costs of supplies and materials, travel expenses, contract services, capital outlays, and other operating expenses, as follows.

	Fiscal Year		Total
	2001-02	2002-03	
Materials and supplies	\$ 38,414	\$ 41,802	
Travel	1,594	1,826	
Contract services	37,459	36,025	
Other operating expenses	32,307	33,302	
Capital outlays	13,960	8,268	
Subtotal	123,734	121,223	
Indirect cost rate	× 38%	× 39%	
Audit adjustment	\$ (47,019)	\$ (47,277)	\$ (94,296)

Parameters and Guidelines states that indirect costs may be claimed in the manner described in the SCO claiming instructions. The SCO claiming instructions state that community college districts must obtain federal approval for an indirect cost rate proposal (ICRP) prepared in accordance with OMB Circular A-21.

The SCO *Mandated Cost Manual* states that indirect costs must be distributed to benefiting cost objectives on bases that produce an equitable result in relation to the benefits derived by the mandate.

The OMB Circular A-21 methodology allows colleges and universities to calculate their indirect cost rate under the simplified method using either salaries and wages or modified total direct costs. The district proposed and negotiated an indirect cost rate based on salaries and wages—including vacation, holiday, sick-pay, and other paid absences but excluding all other fringe benefits—not on modified total direct costs. The rate agreement shows the appropriate rate application base. Section H(2)(e) of OMB Circular A-21 states that institutions must apply the facilities and administrative cost rate to direct costs of salaries and wages for individual agreements in order to determine the amount of facilities and administrative costs allocable to such agreements. The district must adhere to its rate agreement in claiming reimbursement of indirect costs.

Recommendation

We recommend that the district implement policies and procedures to ensure that the OMB Circular A-21 indirect cost rate is applied only to costs the district included in the base of the indirect cost rate calculation.

District's Response

The district did not respond to this finding.

SCO's Comment

The finding and recommendation remain unchanged.

**FINDING 2—
Understated
authorized health fee
revenues claimed**

Authorized health fee revenues reported by the district were understated by \$252,286 during the audit period.

Authorized revenues reported were understated primarily because the district understated district enrollment and overstated the number of enrolled students who were exempt from health fees. In addition, the district understated the per-student health fee for FY 2001-02. The district claimed \$8 per student for the summer 2001 semester and \$11 for the fall 2001 and spring 2002 semesters. However, the authorized fees for the FY 2001-02 school year were \$9 per student for the summer semester and \$12 for the fall and spring semesters. The district's claim for FY 2002-03 did not include any enrollment data to substantiate the amount of student health fee revenue claimed.

The district provided student enrollment data for each semester for both Fullerton and Cypress College during the audit period. For FY 2001-02, enrollment data the district provided disclosed differences between claimed and actual net student enrollment of 5,722 students. The auditor used the district's enrollment data to compute the number of students exempt from health fees for all three semesters of the FY 2002-03 school year. The auditor then used computed net enrollment amounts to compute the amount of health fee revenue authorized for that year.

The understated health fees were calculated as follows.

	Semester			Total
	Summer	Fall	Spring	
<u>Fiscal Year 2001-02</u>				
Fullerton College:				
Per claim *	\$ 10,089	\$ 16,662	\$ 15,769	
Claimed student health fee	× \$ 8	× \$ 11	× \$ 11	
Subtotal	\$ 80,712	\$ 183,282	\$ 173,459	
Per audit *	(10,123)	(16,698)	(16,006)	
Authorized student health fee	× \$ 9	× \$ 12	× \$ 12	
Subtotal	(91,107)	(200,376)	(192,072)	
Audit adjustment	\$ (10,395)	\$ (17,094)	\$ (18,613)	(46,102)

	Semester			Total
	Summer	Fall	Spring	
<u>Fiscal Year 2001-02 (continued)</u>				
Per audit *	(4,125)	(11,503)	(12,298)	
Authorized student health fee	x \$ 9	x \$ 12	x \$ 12	
Subtotal	<u>(37,125)</u>	<u>(138,036)</u>	<u>(147,576)</u>	
Audit adjustment	\$ (4,637)	\$ (36,517)	\$ (46,145)	(87,299)
Total audit adjustment, FY 2001-02				<u>(133,401)</u>
<u>Fiscal Year 2002-03</u>				
Fullerton College:				
Per audit *	\$ (10,771)	\$ (16,910)	\$ (16,228)	
Authorized student health fee	x \$ 9	x \$ 12	x \$ 12	
Authorized health fees audited	<u>\$ (96,939)</u>	<u>\$ (202,920)</u>	<u>\$ (194,736)</u>	(494,595)
Cypress College:				
Per audit *	(4,894)	(12,395)	(9,954)	
Authorized student health fee	x \$ 9	x \$ 12	x \$ 12	
Authorized health fees audited	<u>\$ (44,046)</u>	<u>\$ (148,740)</u>	<u>\$ (119,448)</u>	(312,234)
Total authorized health fees audited				(806,829)
Total health fees claimed				<u>687,944</u>
Total audit adjustment, FY 2002-03				<u>(118,885)</u>
Total audit adjustment				<u>\$ (252,286)</u>

* Number of students net of allowable health fee exemptions.

Parameters and Guidelines states that health fees authorized by *Education Code* must be deducted from costs claimed. *Education Code* Section 76355(c) states that health fees are authorized for all students except those students who: (1) depend exclusively on prayer for healing; (2) are attending a community college under an approved apprenticeship training program; or (3) demonstrate financial need. (*Education Code* Section 76355(a) increased authorized health fees by \$1 effective beginning with the summer 2001 session.)

Also, *Government Code* Section 17514 states that "costs mandated by the State" means any increased cost that a school district is required to incur. If community college districts can charge a fee, then they cannot be not required to incur a cost. In addition, *Government Code* Section 17556 states that the Commission on State Mandates must not find costs to be mandated by the State if the school district has the authority to levy fees to pay for the mandated program or increased level of service.

Recommendation

We recommend that the district deduct authorized health service fees from allowable health service program costs on the mandate claim. The district should maintain records to support its calculation of authorized health service fees. The district should ensure that only those students who meet the requirements of *Education Code* Section 76355(c) are exempt when it calculates authorized student health fees for the Health Fee Elimination Program.

District's Response

...there is no state law or regulation which requires districts to collect a fee for health supervision or services; therefore, we request that you reduce your disallowed cost for the difference between the claimed student health fee rate and the authorized student health fee rate for the 2001-02 fiscal year.

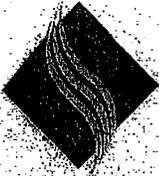
For the reasons stated herein, the North Orange County Community College District respectfully submits that the proposed audit report be corrected as to the facts and the law prior to its final issuance.

SCO's Comment

The finding and recommendation remain unchanged. We concur that community college districts are not required by state law or regulation to levy a fee for health supervision or services. However, *Education Code* Section 76355 provides the district the authority to levy a health services fee. Therefore, the related health services costs are not mandated costs as defined by *Government Code* Section 17514. Health services costs recoverable through an authorized fee are not costs the district is required to incur. *Government Code* Section 17556 states that the COSM must not find costs mandated by the State as defined in *Government Code* Section 17514 if the district has authority to levy fees to pay for the mandated program or increased level of service.

The district did not respond to the portion of the finding related to understated district enrollment and overstated health-fee exemption waivers.

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



NORTH ORANGE COUNTY
COMMUNITY COLLEGE DISTRICT

FRED WILLIAMS
Interim Vice Chancellor
Finance & Facilities

JEROME HUNTER, Ed.D.
Chancellor

June 15, 2005

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

Dear Mr. Spano:

RE: HEALTH FEE ELIMINATION AUDIT

This letter is the response of the North Orange County Community College District to the letter of Vincent P. Brown, dated May 6, 2005, which enclosed a draft copy of your audit report of our District's Health Fee Elimination Program, Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, for the periods of July 1, 2000 to June 30, 2003.

The District's 2000-2001 claim was filed on December 5, 2001. This claim was not subject to audit after December 31, 2003.

In addition, there is no state law or regulation which requires districts to collect a fee for health supervision or services; therefore, we request that you reduce your disallowed cost for the difference between the claimed student health fee rate and the authorized student health fee rate for the 2001-2002 fiscal year.

For the reasons stated herein, the North Orange County Community College District respectfully submits that the proposed audit report be corrected as to the facts and the law prior to its final issuance.

Sincerely,

Fred Williams, CPA
Vice Chancellor, Finance & Facilities

04/05-62

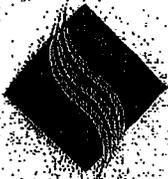
**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, California 94250-5874**

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

S04-MCC-047



Exhibit E



NORTH ORANGE COUNTY
COMMUNITY COLLEGE DISTRICT

FRED WILLIAMS
Vice Chancellor
Finance & Facilities

JEROME HUNTER, Ed.D.
Chancellor

June 15, 2005

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

Dear Mr. Spano:

RE: HEALTH FEE ELIMINATION AUDIT

This letter is the response of the North Orange County Community College District to the letter of Vincent P. Brown, dated May 6, 2005, which enclosed a draft copy of your audit report of our District's Health Fee Elimination Program, Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, for the periods of July 1, 2000 to June 30, 2003.

The District's 2000-2001 claim was filed on December 5, 2001. This claim was not subject to audit after December 31, 2003.

In addition, there is no state law or regulation which requires districts to collect a fee for health supervision or services; therefore, we request that you reduce your disallowed cost for the difference between the claimed student health fee rate and the authorized student health fee rate for the 2001-2002 fiscal year.

For the reasons stated herein, the North Orange County Community College District respectfully submits that the proposed audit report be corrected as to the facts and the law prior to its final issuance.

Sincerely,

Fred Williams, CPA
Vice Chancellor, Finance & Facilities

04/05-62

Exhibit F

**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

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



March 5, 2001

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

From: Thomas J. Nussbaum
Chancellor

Subject: Student Health Fee Increase

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

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

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

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

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

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

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

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

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

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

Exhibit G

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 HEALTH FEE ELIMINATION	For State Controller Use only (19) Program Number 00029 (20) Date File ____/____/____ (21) LRS Input ____/____/____
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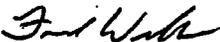
(1) Claimant Identification Number: S30105	Reimbursement Claim Data													
(2) Mailing Address: Claim File Copy	(22) HFE - 1.0, (04)(b)	\$ 415,112												
Claimant Name North Orange Co. Community College District	(23)													
County of Location Orange	(24)													
Street Address 1000 North Lemon Street	(25)													
City State Zip Code Fullerton CA 92682-1351	(26)													
<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 checked="" type="checkbox"/></td> <td>(09) Reimbursement <input checked="" 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 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"/>	(27)	
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 2001-02	(06)	(12) 2000-01												
Total Claimed Amount \$ 455,000	(07)	(13) \$ 415,112												
Less: 10% Late Penalty, but not to exceed \$1000 Less: Estimate Claim Payment Received	(14)	(15) \$ 121,213												
Net Claimed Amount	(16)	(35) \$ 293,899												
Due from State \$ 455,000	(08)	(17) \$ 293,899												
Due to State	(18)	(37) \$ -												

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file claims with the State of California for costs mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, set forth on the attached statements.

Signature of Authorized Officer Claim File Copy  Fred Williams Type or Print Name	Date 12/3/01 Fiscal Affairs Director Title
--	---

(39) Name of Contact Person or Claim SixTen and Associates	Telephone Number (858) 514-8605	E-Mail Address kbpsixten@aol.com
--	---------------------------------	----------------------------------

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.0**

(01) Claimant:	(02) Type of Claim:	Fiscal Year
Claimant Name	Reimbursement <input checked="" type="checkbox"/>	
North Orange Co. Community College Dist	Estimated <input type="checkbox"/>	2000-01

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

	(a) Name of College	(b) Claimed Amount
1.	Fullerton College	\$ 316,972.07
2.	Cypress College	\$ 98,139.54
3.		\$ -
4.		\$ -
5.		\$ -
6.		\$ -
7.		\$ -
8.		\$ -
9.		\$ -
10.		\$ -
11.		\$ -
12.		\$ -
13.		\$ -
14.		\$ -
15.		\$ -
16.		\$ -
17.		\$ -
18.		\$ -
19.		\$ -
20.		\$ -
21.		\$ -
(04) Total-Amount Claimed		\$ 415,112.00
<small>[Line (3.1b) + line (3.2b) + line (3.3b) + ...line (3.21b)]</small>		

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.1**

(01) Claimant: North Orange Co. Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2000-01
--	---	----------------------------

(03) Name of College Fullerton College

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

LESS SAME MORE

	Direct Cost	Indirect Cost of: 38.00%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 525,037	\$ 199,514	\$ 724,551
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87	\$ 385.00	\$ 146	\$ 531
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 524,652	\$ 199,368	\$ 724,020

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

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester	5,365	10,062	\$ 11.00	\$ 59,015	\$ 11.00	\$ 110,682	\$ 169,697
2. Per spring semester	4,883	9,818	\$ 11.00	\$ 53,713	\$ 11.00	\$ 107,998	\$ 161,711
3. Per summer session		6,252	\$ 8.00	\$ -	\$ 8.00	\$ 50,016	\$ 50,016
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -

(09) Total health fee that could have been collected [Line (8.1g) + (8.2g) +(8.6g)] \$ 381,424

(10) Sub-total [Line (07) - line (09)] \$ 342,596

Cost Reduction	
(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$25,623.69
(13) Total Amount Claimed [Line (10) - (line (11) + line (12))]	\$ 316,972

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

(01) Claimant: North Orange Co. Community College District	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2000-01
--	---	----------------------------

(03) Name of College Cypress College

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

LESS SAME MORE

	Direct Cost	Indirect Cost of: 38.00%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 277,764	\$ 105,550	\$ 383,314
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87		\$ -	\$ -
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 277,764	\$ 105,550	\$ 383,314

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

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester	3,652	6,589	\$ 11.00	\$40,172	\$ 11.00	\$ 72,479	\$ 112,651
2. Per spring semester	3,291	7,326	\$ 11.00	\$36,201	\$ 11.00	\$ 80,586	\$ 116,787
3. Per summer session	120	2,793	\$ 8.00	\$ 960	\$ 8.00	\$ 22,344	\$ 23,304
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -

(09) Total health fee that could have been collected	[Line (8.1g) + (8.2g) +(8.6g)]	\$ 252,742
(10) Sub-total	[Line (07) - line (09)]	\$ 130,572

Cost Reduction		
(11) Less: Offsetting Savings, if applicable		\$ -
(12) Less: Other Reimbursements, if applicable		\$32,432.78
(13) Total Amount Claimed	[Line (10) - (line (11) + line (12))]	\$ 98,140

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #:

DATE: June 9, 1998

INSTITUTION:
North Orange County Community College District
1000 North Lemon Street

FILING REF.: The preceding Agreement was dated March 30, 1987

Fullerton

CA 92634

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*
RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

TYPE	EFFECTIVE PERIOD		RATE(%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/97	06/30/02	38.0	On-Campus	All Programs
PROV.	07/01/02	06/30/04	38.0	On-Campus	All Programs

*BASE:
Direct salaries and wages including vacation, holiday, sick pay and other paid absences but excluding all other fringe benefits.

SCHEDULE OF STUDENT ENROLLMENT

200_ _001

NORTH ORANGE COUNTY CCD

LESS: STUDENTS ONLY ENROLLED IN FRI AFTER 4 PM, SAT, DISTANCE ED, & ON-LINE CLASSES.

TOTAL STUDENTS LESS: BOGG NET STUDENTS

FULLERTON COLLEGE

FT FALL ENROLLMENT

FT SPRING ENROLLMENT

PT SUMMER ENROLLMENT

PT FALL ENROLLMENT

PT SPRING ENROLLMENT

CYPRESS COLLEGE

FT SUMMER ENROLLMENT

FT FALL ENROLLMENT

FT SPRING ENROLLMENT

PT SUMMER ENROLLMENT

PT FALL ENROLLMENT

PT SPRING ENROLLMENT

6590 -1225

6171 -1288

7916 -1506

13516 -2512

13763 -2866

-158

-942

-1079

5365

4883

6252

10062

9818

120

4844

4383

4152

9466

10338

-1192

-1092

-1219

-2315

-2548

-140

-562

-464

120

3652

3291

2793

6589

7326

BOGG STUDENTS PRORATED TO FT & PT BASED ON TOTAL ENROLLMENT PER SEMESTER, PER COLLEGE

North Orange County Community College District

General Ledger Expenses 2000-01

		Expenses	Amounts: Other <u>Reimbursements</u>
Fullerton College	Page 262	\$346,662.20	
	Page 253 (Prtnrship for Excell.)	\$22,677.19	
	Page 265 (Bridges to Health)	\$2,299.36	\$2,373.11
	Page 811	10,000	
	Page 810	96,584.77	
	Page 812 (Student Health Fees)	23,250.58	23,250.58
	S. Beers (20%) of effort	23,562.40	
Total		\$525,036.50	\$25,623.69
Cypress College	Page 514	\$225,819.54	
	Page 929	7,405.80	
	Page 930 (Student Health Fees)	33,578.78	\$32,432.78
	Page 931	10,960.22	
Total		\$277,764.34	\$32,432.78
Grand Total		\$802,800.84	\$58,056.47

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
HEALTH EDUCATION INITIATIVE						
01-61-1280-6441-10	NON TEACHING-HEALTH ED	.00	.00	.00	.00	.00
01-61-2310-6441-10	CL HRLY, ADULT-HEALTH E	.00	16,464.00	.00	14,252.79	2,211.21
01-61-2320-6441-10	CL HR/STUDENT-HEALTH E	.00	1,245.00	.00	1,263.00	18.00-
01-61-2340-6441-10	PROFES EXPERT-HEALTH E	.00	.00	.00	.00	.00
01-61-3130-6441-10	STRS/OTHER-HEALTH EDUC	.00	.00	.00	.00	.00
01-61-3330-6441-10	OASDI ACAD/NI-HEALTH E	.00	.00	.00	.00	.00
01-61-3430-6441-10	H&W ACAD/N I-HEALTH ED	.00	.00	.00	.00	.00
01-61-3440-6441-10	H&W MISC-HEALTH EDUCAT	.00	2,156.00	.00	.00	2,156.00
01-61-3520-6441-10	U I CLASS-HEALTH EDUCA	.00	.00	.00	14.50	14.50-
01-61-3530-6441-10	U I ACAD/N I-HEALTH ED	.00	.00	.00	.00	.00
01-61-3620-6441-10	W C CLASS-HEALTH EDUCA	.00	.00	.00	120.90	120.90-
01-61-3630-6441-10	W C ACAD/N I-HEALTH ED	.00	.00	.00	.00	.00
01-61-3930-6441-10	OPT FB ACD/NI-HEALTH E	.00	.00	.00	.00	.00
01-61-4310-6441-10	SUPPLIES-HEALTH EDUCAT	.00	6,417.00	.00	6,298.24	118.76
01-61-5120-6441-10	LECTURERS-HEALTH EDUCA	.00	200.00	.00	200.00	.00
01-61-5140-6441-10	CONTR SERV-HEALTH EDUC	.00	608.00	.00	498.16	109.84
01-61-5540-6441-10	TELEPHONE-HEALTH EDUCA	.00	.00	.00	.00	.00
01-61-5860-6441-10	POSTAGE-HEALTH EDUCATI	.00	30.00	.00	29.50	.40
DEPT 10 TOTAL		.00	27,120.00	.00	22,677.19	4,442.81

Duvalton College Partnership for excellence
These expenditures are included in 311 expenditures
by activity 6440 Health Services

Furman

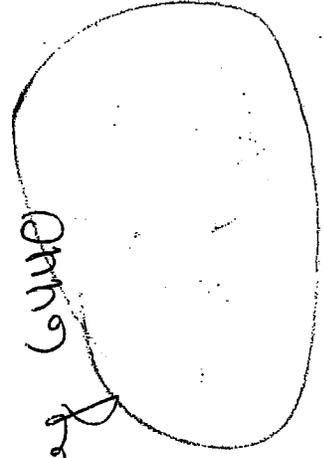
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
HEALTH SERVICES						
01-21-1250-6440-67	ADMINISTRATOR-HEALTH S	74,675.00	74,675.00	.00	77,242.72	2,567.72-
01-21-1410-6440-67	NON TCH HRLY-HEALTH SE	.00	.00	.00	.00	.00
01-21-2110-6440-67	CL MONTHLY-HEALTH SERV	128,235.00	124,470.00	.00	103,052.98	21,417.02
01-21-2112-6440-67	CL MO<100% OT-HEALTH S	500.00	500.00	.00	500.69	.69-
01-21-2150-6440-67	ADMINISTRATOR-HEALTH S	.00	.00	.00	.00	.00
01-21-2310-6440-67	CL HRLY, ADULT-HEALTH S	85,890.00	90,783.00	.00	88,830.51	1,952.49
01-21-2312-6440-67	CL MO 100% OT-HEALTH S	.00	872.00	.00	871.25	.75
01-21-2320-6440-67	CL HR/STUDENT-HEALTH S	2,800.00	800.00	.00	225.00	575.00
01-21-3130-6440-67	STRS/OTHER-HEALTH SERV	11,544.00	11,544.00	.00	6,372.52	5,171.48
01-21-3220-6440-67	P.E.R.S.-HEALTH SERVICE	7,966.00	7,966.00	.00	6,600.00	1,366.00
01-21-3320-6440-67	OASDI CL-HEALTH SERVICE	9,000.00	9,000.00	.00	9,560.90	560.90-
01-21-3330-6440-67	OASDI ACAD/NI-HEALTH S	750.00	750.00	.00	1,035.10	285.10-
01-21-3420-6440-67	H&W NONINSTR-HEALTH SE	6,180.00	6,180.00	.00	5,338.80	841.20
01-21-3430-6440-67	H&W ACAD/N I-HEALTH SE	2,400.00	2,400.00	.00	2,633.40	233.40
01-21-3520-6440-67	U I CLASS-HEALTH SERVI	120.00	120.00	.00	197.40	77.40-
01-21-3530-6440-67	U I ACAD/N I-HEALTH SE	50.00	50.00	.00	78.90	28.90-
01-21-3620-6440-67	W C CLASS-HEALTH SERVI	2,200.00	2,200.00	.00	1,639.10	560.90
01-21-3630-6440-67	W C ACAD/N I-HEALTH SE	700.00	700.00	.00	655.20	44.80
01-21-3920-6440-67	OPT FB N I-HEALTH SERV	9,500.00	9,500.00	.00	9,132.30	367.70
01-21-3930-6440-67	OPT FB ACAD/NI-HEALTH S	2,790.00	2,790.00	.00	2,988.40	198.40-
01-21-4120-6440-67	LIBRARY BKS-HEALTH SER	100.00	100.00	.00	.00	100.00
01-21-4210-6440-67	PERIODICALS-HEALTH SER	300.00	300.00	.00	.00	.00
01-21-4310-6440-67	SUPPLIES-HEALTH SERVICE	4,944.00	5,080.00	.00	4,693.84	386.16
01-21-5140-6440-67	CONTR SERV-HEALTH SERV	2,000.00	.00	.00	.00	.00
01-21-5150-6440-67	OTHER SERVICE-HEALTH S	.00	.00	.00	.00	.00
01-21-5210-6440-67	TRAVEL/CONFER-HEALTH S	1,850.00	1,714.00	.00	1,713.75	.25
01-21-5215-6440-67	INSERVICE-HEALTH SERVI	.00	400.00	.00	360.00	40.00
01-21-5240-6440-67	MILEAGE-HEALTH SERVICE	100.00	.00	.00	.00	.00
01-21-5310-6440-67	MEMBERSHIPS-HEALTH SER	425.00	425.00	.00	232.00	193.00
01-21-5420-6440-67	LIAB INSUR-HEALTH SERV	5,000.00	5,602.00	.00	5,601.85	.15
01-21-5450-6440-67	STONT INSUR-HEALTH SER	13,000.00	12,398.00	.00	12,000.00	398.00
01-21-5510-6440-67	ELECTRICITY-HEALTH SER	.00	.00	.00	.00	.00
01-21-5540-6440-67	TELEPHONE-HEALTH SERVI	.00	.00	.00	.00	.00
01-21-5550-6440-67	WASTE DISPSL-HEALTH SE	.00	.00	.00	.00	.00
01-21-5555-6440-67	HAZ WASTE-HEALTH SERVI	600.00	600.00	.00	624.34	24.34
01-21-5560-6440-67	LAUNDRY SERV-HEALTH SE	50.00	50.00	.00	.00	50.00
01-21-5640-6440-67	EQUIP REPAIR-HEALTH SE	.00	.00	.00	.00	.00
01-21-5645-6440-67	MAINT AGRMNTS-HEALTH S	380.00	380.00	.00	323.64	56.36
01-21-5650-6440-67	BLDG REP/GEN-HEALTH SE	500.00	500.00	.00	.00	500.00
01-21-5860-6440-67	POSTAGE-HEALTH SERVICE	350.00	350.00	.00	157.61	192.39
01-21-6410-6440-67	NEW EQUIPMENT-HEALTH S	2,400.00	4,400.00	.00	4,000.00	400.00
01-21-7900-6440-67	CONTINGENCY-HEALTH SER	.00	.00	.00	.00	.00
DEPT 67 TOTAL		377,299.00	377,299.00	.00	346,662.20	30,636.80
01-21-8876-6440-67	INCOME-HEALTH SERVICES	377,299.00	377,299.00	.00	381,404.88	4,105.88-
01-21-8890-6440-67	OTHER INCOME-HEALTH SE	.00	.00	.00	.00	.00
DEPT 67 INC TOTAL		377,299.00	377,299.00	.00	381,404.88	4,105.88-

FULLSTON

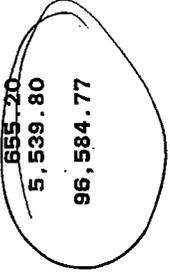
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
BRIDGES TO HEALTHY COMMUNITIES						
01-21-2310-6442-01	CL HRLY, ADULT-BRIDGES	.00	840.00	.00	640.00	200.00
01-21-2320-6442-01	CL HR/STUDENT-BRIDGES	.00	280.00	.00	257.25	22.75
01-21-2340-6442-01	PROFES EXPERT-BRIDGES	.00	500.00	.00	490.00	10.00
01-21-3440-6442-01	H&W MISC-BRIDGES TO HE	.00	240.00	.00	.00	240.00
01-21-3520-6442-01	U I CLASS-BRIDGES TO H	.00	.00	.00	.60	.60-
01-21-3620-6442-01	W C CLASS-BRIDGES TO H	.00	.00	.00	5.40	5.40-
01-21-4120-6442-01	LIBRARY BKS-BRIDGES TO	.00	150.00	.00	147.00	3.00
01-21-4210-6442-01	PERIODICALS-BRIDGES TO	.00	50.00	.00	49.00	1.00
01-21-4310-6442-01	SUPPLIES-BRIDGES TO HE	.00	640.00	.00	410.11	229.89
01-21-5210-6442-01	TRAVEL/CONFER-BRIDGES	.00	.00	.00	.00	.00
01-21-5215-6442-01	INSERVICE-BRIDGES TO H	.00	300.00	.00	300.00	.00
DEPT 01 TOTAL		.00	3,000.00	.00	2,259.35	700.64
01-21-8890-6442-01	OTHER INCOME-BRIDGES T	.00	3,000.00	.00	2,373.11	626.89
DEPT 01 INC TOTAL		.00	3,000.00	.00	2,373.11	626.89

*Grant received by Sulston College
We were reimbursed by the grantor
for our expenditures.*

*These expenditures are included in
All expenditures by activity 6440
Health Services*



ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
HEALTH SERVICES						
01-41-2110-6440-01	CL MONTHLY-HEALTH SERV	27,228.00	27,242.00	.00	27,241.75	.25
01-41-2150-6440-01	ADMINISTRATOR-HEALTH S	29,000.00	34,438.00	.00	35,575.92	1,137.92-
01-41-2310-6440-01	CL HRLY, ADULT-HEALTH S	18,115.00	18,101.00	.00	14,451.50	3,649.50
01-41-3220-6440-01	P.E.R.S.-HEALTH SERVIC	.00	.00	.00	4,003.60	4,003.60-
01-41-3320-6440-01	OASDI CL-HEALTH SERVIC	.00	.00	.00	5,799.70	5,799.70-
01-41-3400-6440-01	H & W BENEFIT-HEALTH S	17,231.00	11,793.00	.00	3,238.50	11,793.00
01-41-3420-6440-01	H&W NONINSTR-HEALTH SE	.00	.00	.00	78.80	78.80-
01-41-3520-6440-01	U I CLASS-HEALTH SERVI	.00	.00	.00	655.20	655.20
01-41-3620-6440-01	W C CLASS-HEALTH SERVI	.00	.00	.00	5,539.80	5,539.80
01-41-3920-6440-01	OPT FB N I-HEALTH SERV	.00	.00	.00		
DEPT 01 TOTAL		91,574.00	91,574.00	.00	96,584.77	5,010.77-



Rumson

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
HEALTH SERVICES						
01-41-2150-6440-10	ADMINISTRATOR-HEALTH S	.00	.00	.00	.00	.00
01-41-2310-6440-10	CL HRLY ADULT-HEALTH S	.00	.00	.00	.00	.00
01-41-3220-6440-10	P.E.R.S.-HEALTH SERVIC	.00	.00	.00	.00	.00
01-41-3320-6440-10	DASDI CL-HEALTH SERVIC	.00	.00	.00	.00	.00
01-41-3420-6440-10	H&W NONINSTR-HEALTH SE	.00	.00	.00	.00	.00
01-41-3520-6440-10	U I CLASS-HEALTH SERVI	.00	.00	.00	.00	.00
01-41-3620-6440-10	W C CLASS-HEALTH SERVI	.00	.00	.00	.00	.00
01-41-3920-6440-10	OPT FB N I-HEALTH SER	.00	.00	.00	.00	.00
01-41-5510-6440-10	ELECTRICITY-HEALTH SER	10,000.00	10,000.00	.00	10,000.00	.00
01-41-7900-6440-10	CONTINGENCY-HEALTH SER	.00	.00	.00	.00	.00
DEPT 10 TOTAL		10,000.00	10,000.00	.00	10,000.00	.00

10,000.00
10,000.00

Handwritten signature

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT
DISTRICT ACCOUNTING SYSTEM

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
HEALTH SERVICES						
01-41-4120-6440-67	LIBRARY BKS-HEALTH SER	150.00	150.00	.00	150.06	.06-
01-41-4210-6440-67	PERIODICALS-HEALTH SER	300.00	300.00	.00	294.02	5.98
01-41-4310-6440-67	SUPPLIES-HEALTH SERVICE	11,000.00	11,000.00	.00	9,942.74	1,057.26
01-41-5140-6440-67	CONTR SERV-HEALTH SER	3,600.00	4,740.00	.00	4,742.91	2.91-
01-41-5150-6440-67	OTHER SERVICE-HEALTH S	3,500.00	3,500.00	.00	3,271.37	228.63
01-41-5210-6440-67	TRAVEL/CONFER-HEALTH S	1,000.00	860.00	.00	859.46	.54
01-41-5310-6440-67	MEMBERSHIPS-HEALTH SER	500.00	500.00	.00	475.00	25.00
01-41-5420-6440-67	LIAB INSUR-HEALTH SER	1,000.00	1,000.00	.00	947.72	52.28
01-41-5510-6440-67	ELECTRICITY-HEALTH SER	10,000.00	10,000.00	.00	.00	.00
01-41-5560-6440-67	LAUNDRY SERV-HEALTH SE	100.00	100.00	.00	.00	100.00
01-41-5640-6440-67	EQUIP REPAIR-HEALTH SE	200.00	200.00	.00	70.00	130.00
01-41-5650-6440-67	BLDG REP/GEN-HEALTH SE	300.00	300.00	.00	.00	300.00
01-41-5815-6440-67	MANDATED FEES-HEALTH S	.00	.00	.00	.00	.00
01-41-5870-6440-67	ADVERTISING-HEALTH SER	550.00	50.00	.00	.00	50.00
01-41-6410-6440-67	NEW EQUIPMENT-HEALTH S	3,587.00	3,087.00	.00	2,497.30	589.70
01-41-7900-6440-67	CONTINGENCY-HEALTH SER	.00	.00	.00	.00	.00
DEPT 67 TOTAL		35,787.00	25,787.00	.00	23,250.58	2,536.42
01-41-8890-6440-67	OTHER INCOME-HEALTH SE	23,700.00	23,700.00	.00	23,250.58	449.42
DEPT 67 INC TOTAL		23,700.00	23,700.00	.00	23,250.58	449.42

Ferguson

BEERS SUSAN A
 REG OIV DEAN
 100.00 H + PHD DOB 07/21/46
 25 H + PHD
 SAL BASE 97,249 + 2100
 CONTRACT 97,349
 EXT. DAY 100,749
 SS# 526 70 9386
 PRI 607 FONTANA
 BUDGET #11-1210-0835-00 277,92651
 EX: S-1
 MO. SAL 8279.08
 DAILY 408.843
 DAYS WKD. 243
 FC 00-01
 09/11/74
 HAY LAGUNA BEACH
 11-1210-0835-00 277,92651

20%
 ALLOCATED
 TO ADMINISTRATIVE
 HEALTH SERVICES
 FULLERTON

1800 X 20% =
 360 X 65.45 =
 23,562.00

	CONTRACT/CONTRACT ADJ.	EXT. DAY	TG/AE	HEALTH & INS.	CREDIT UNION	DUES	MISC.	TSA
1A JULY	8279.08				Net			833-
2A AUG	✓							
3A SEPT	✓					5-		
4A OCT	✓							
5A NOV	✓							
6A DEC	✓							
7A JAN	✓							
8A FEB	✓							
9A MAR	✓							
10A APRIL	8395.75 R 1050.03							
11A MAY	✓							
12A JUNE	✓							

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
HEALTH SERVICES						
01-22-1230-6440-67	COUNSELOR-HEALTH SERVI	12,500.00	10,846.00	.00	9,944.89	901.11
01-22-1250-6440-67	ADMINISTRATOR-HEALTH S	16,500.00	16,654.00	.00	16,653.84	.16
01-22-1280-6440-67	NON TEACHING-HEALTH SE	.00	.00	.00	.00	.00
01-22-1410-6440-67	NON TCH HRLY-HEALTH SE	.00	.00	.00	.00	.00
01-22-2110-6440-67	CL MONTHLY-HEALTH SERV	95,000.00	96,500.00	.00	95,928.00	572.00
01-22-2310-6440-67	CL HRLY, ADULT-HEALTH S	80,000.00	80,000.00	.00	53,171.27	26,828.73
01-22-2320-6440-67	CL HR/STUDENT-HEALTH S	300.00	300.00	.00	.00	300.00
01-22-3130-6440-67	STRS/OTHER-HEALTH SERV	.00	.00	.00	2,194.39	2,194.39
01-22-3220-6440-67	P. E. R. S. -HEALTH SERV	.00	.00	.00	6,114.00	6,114.00
01-22-3320-6440-67	DASDI CL-HEALTH SERVICE	.00	.00	.00	8,856.90	8,856.90
01-22-3330-6440-67	DASDI ACAD/NI-HEALTH S	.00	.00	.00	356.30	356.30
01-22-3420-6440-67	H&W NONINSTR-HEALTH SE	28,000.00	28,000.00	.00	4,945.70	23,054.30
01-22-3430-6440-67	H&W ACAD/N I-HEALTH SE	.00	.00	.00	906.70	906.70
01-22-3440-6440-67	H&W MISC-HEALTH SERVICE	5,500.00	5,500.00	.00	.00	5,500.00
01-22-3520-6440-67	U I CLASS-HEALTH SERVI	.00	.00	.00	152.30	152.30
01-22-3530-6440-67	U I ACAD/N I-HEALTH SE	.00	.00	.00	27.10	27.10
01-22-3620-6440-67	W C CLASS-HEALTH SERVI	.00	.00	.00	1,264.70	1,264.70
01-22-3630-6440-67	W C ACAD/N I-HEALTH SE	.00	.00	.00	225.50	225.50
01-22-3920-6440-67	OPT FB N I-HEALTH SERV	.00	.00	.00	8,459.90	8,459.90
01-22-3930-6440-67	OPT FB AC/NI-HEALTH S	.00	.00	.00	1,029.00	1,029.00
01-22-4310-6440-67	SUPPLIES-HEALTH SERVICE	700.00	700.00	.00	704.43	4.43
01-22-5140-6440-67	CONTR SERV-HEALTH SERV	.00	.00	.00	.00	.00
01-22-5210-6440-67	TRAVEL/CONFER-HEALTH S	200.00	200.00	.00	199.04	.96
01-22-5310-6440-67	MEMBERSHIPS-HEALTH SERV	700.00	700.00	.00	75.00	625.00
01-22-5420-6440-67	LIAB INSUR-HEALTH SERV	5,000.00	5,000.00	.00	4,583.92	416.08
01-22-5450-6440-67	STONT INSUR-HEALTH SER	11,000.00	11,000.00	.00	10,000.00	1,000.00
01-22-5620-6440-67	EQUIP RENTAL-HEALTH SE	.00	.00	.00	.00	.00
01-22-5860-6440-67	POSTAGE-HEALTH SERVICE	100.00	100.00	.00	26.66	73.34
01-22-6220-6440-67	ADDITION/BLDG-HEALTH S	.00	.00	.00	.00	.00
01-22-6410-6440-67	NEW EQUIPMENT-HEALTH S	148,807.00	148,807.00	.00	.00	148,807.00
01-22-7900-6440-67	CONTINGENCY-HEALTH SER	.00	.00	.00	.00	.00
DEPT 67 TOTAL		404,307.00	404,307.00	.00	225,819.54	178,487.46
01-22-8876-6440-67	INCOME-HEALTH SERVICES	255,500.00	255,500.00	.00	253,237.00	2,263.00
DEPT 67 INC TOTAL		255,500.00	255,500.00	.00	253,237.00	2,263.00

225,819.54

C.V. P. 555

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
HEALTH SERVICES						
01-42-4310-6440-00	SUPPLIES-HEALTH SERVICE	.00	1,771.00	.00	1,160.45	610.55
01-42-5140-6440-00	CONTR SERV-HEALTH SERV	.00	1,800.00	.00	1,813.98	13.98-
01-42-5880-6440-00	OTHER-HEALTH SERVICES	109,093.00	8,657.00	.00	.00	8,657.00
01-42-6220-6440-00	ADDITION/BLDG-HEALTH S	.00	.00	.00	2,979.00	2,979.00-
01-42-6410-6440-00	NEW EQUIPMENT-HEALTH S	.00	1,550.00	.00	1,452.47	97.53
01-42-7900-6440-00	CONTINGENCY-HEALTH SER	.00	.00	.00	.00	.00
DEPT 00 TOTAL		109,093.00	13,778.00	.00	7,405.90	6,372.10

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ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
HEALTH SERVICES						
01-42-2310-6440-01	CL HRLY, ADULT-HEALTH S	1,000.00	1,000.00	.00	820.13	179.87
01-42-2320-6440-01	CL HR/STUDENT-HEALTH S	6,000.00	6,000.00	.00	2,727.03	3,272.97
01-42-3520-6440-01	U I CLASS-HEALTH SERVI	.00	.00	.00	.80	.80-
01-42-3620-6440-01	W C CLASS-HEALTH SERVI	.00	.00	.00	6.90	6.90-
01-42-4210-6440-01	PERIODICALS-HEALTH SER	.00	.00	.00	.00	.00
01-42-4310-6440-01	SUPPLIES-HEALTH SERVIC	24,000.00	24,000.00	.00	17,681.03	6,318.97
01-42-5140-6440-01	CONTR SERV-HEALTH SERV	22,000.00	22,000.00	.00	12,342.89	9,657.11
01-42-6410-6440-01	NEW EQUIPMENT-HEALTH S	32,431.00	32,431.00	.00	.00	32,431.00
01-42-7900-6440-01	CONTINGENCY-HEALTH SER	.00	.00	.00	.00	.00
DEPT 01 TOTAL		85,431.00	85,431.00	.00	33,578.78	51,852.22
01-42-8877-6440-01	INSTL MTLs-HEALTH SERV	.00	.00	.00	.00	.00
01-42-8889-6440-01	OTH STDNT FEE-HEALTH S	55,000.00	55,000.00	.00	32,432.78	22,567.22
DEPT 01 INC TOTAL		55,000.00	55,000.00	.00	32,432.78	22,567.22

CNPRESS

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	STARTING BUDGET	REVISED BUDGET	ENCUMBERED AMOUNT	INCOME-EXPENSE	CURRENT BALANCE
HEALTH SERVICES						
01-42-4310-6440-67	SUPPLIES-HEALTH SERVIC	.00	2,500.00	.00	.00	2,500.00
01-42-6120-6440-67	SITE IMPROVMT-HEALTH S	4,000.00	4,000.00	.00	684.00	3,316.00
01-42-6410-6440-67	NEW EQUIPMENT-HEALTH S	21,000.00	18,500.00	.00	10,275.22	8,223.78
DEPT 67 TOTAL		25,000.00	25,000.00	.00	10,960.22	14,039.78

CAPRESS

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

**FORM
HFE-2.1**

(01) Claimant North Orange Co. Community College District	Fiscal Year 2000-01	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.	(a) FY 1986/87	(b) FY of Claim
Accident Reports	X	X
Appointments		
College Physician, surgeon	X	X
Dermatology, Family practice	X	X
Internal Medicine		
Outside Physician		
Dental Services		
Outside Labs, (X-ray, etc.,)	X	X
Psychologist, full services	X	X
Cancel/Change Appointments	X	X
Registered Nurse	X	X
Check Appointments		
Assessment, Intervention and Counseling		
Birth Control	X	X
Lab Reports	X	X
Nutrition	X	X
Test Results, office	X	X
Venereal Disease	X	X
Communicable Disease	X	X
Upper Respiratory Infection	X	X
Eyes, Nose and Throat	X	X
Eye/Vision	X	X
Dermatology/Allergy	X	X
Gynecology/Pregnancy Service	X	X
Neuralgic	X	X
Orthopedic	X	X
Genito/Urinary	X	X
Dental		
Gastro-Intestinal	X	X
Stress Counseling	X	X
Crisis Intervention	X	X
Child Abuse Reporting and Counseling	X	X
Substance Abuse Identification and Counseling	X	X
Eating Disorders	X	X
Weight Control	X	X
Personal Hygiene	X	X
Burnout		
Other Medical Problems, list		
Examinations, minor illnesses	X	X
Recheck Minor Injury	X	X
Health Talks or Fairs, Information		
Sexually Transmitted Disease	X	X
Drugs	X	X
Acquired Immune Deficiency Syndrome	X	X
Child Abuse		

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

**FORM
HFE-2.1**

(01) Claimant North Orange Co. Community College District	Fiscal Year 2000-01	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.	(a) FY 1986/87	(b) FY of Claim
Birth Control/Family Planning	X	X
Stop Smoking	X	X
Library, Videos and Cassettes	X	X
First Aid, Major Emergencies	X	X
First Aid, Minor Emergencies	X	X
First Aid Kits, Filled	X	X
Immunizations	X	X
Diphtheria/Tetanus	X	X
Measles/Rubella	X	X
Influenza	X	X
Information	X	X
Insurance	X	X
On Campus Accident	X	X
Voluntary	X	X
Insurance Inquiry/Claim Administration	X	X
Laboratory Tests Done	X	X
Inquiry/Interpretation	X	X
Pap Smears	X	X
Physical Examinations	X	X
Employees	X	X
Students	X	X
Athletes	X	X
Medications	X	X
Antacids	X	X
Antidiarrheal	X	X
Aspirin, Tylenol, etc.,	X	X
Skin Rash Preparations	X	X
Eye Drops	X	X
Ear Drops	X	X
Toothache, oil cloves	X	X
Stingkill	X	X
Midol, Menstrual Cramps	X	X
Other-list ANTIBIOTICS	X	X
Parking Cards/Elevator Keys	X	X
Tokens	X	X
Return Card/Key	X	X
Parking Inquiry	X	X
Elevator Passes	X	X
Temporary Handicapped Parking Permits	X	X

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

**FORM
HFE-2.1**

(01) Claimant

Fiscal Year

North Orange Co. Community College District

2000-01

(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.

(a) FY 1986/87	(b) FY of Claim
----------------------	-----------------------

Referrals to Outside Agencies

- Private Medical Doctor
- Health Department
- Clinic
- Dental
- Counseling Centers
- Crisis Centers
- Transitional Living Facilities, battered/homeless women
- Family Planning Facilities
- Other Health Agencies

X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X

Tests

- Blood Pressure
- Hearing
- Tuberculosis
- Reading
- Information
- Vision
- Glucometer
- Urinalysis
- Hemoglobin
- EKG
- Strep A Testing
- PG Testing
- Monospot
- Hemacult
- Others, list

X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X

Miscellaneous

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

X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X

Committees

- Safety
- Environmental
- Disaster Planning
- Skin Rash Preparations
- Eye Drops

X	X
X	X

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

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

(01) Claimant Identification Number:
 S30105

(02) Mailing Address:

Claimant Name
 North Orange County Community College Dist.

County of Location
 Orange

Street Address
 1830 W, Romneya, Drive

City State Zip Code
 Anaheim CA 92801-1819

Reimbursement Claim Data

(22) HFE - 1.0, (04)(b)	\$	325,087
(23)		
(24)		
(25)		
(26)		
(27)		
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(28)
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)
(06) 2002-0003	(12) 2001-2002	(31)
(07) \$ 355,000	(13) \$ 325,087	(32)
Less: 10% Late Penalty, but not to exceed 100	(14) \$ -	(33)
Less: Estimate Claim Payment Received	(15) \$ 106,264	(34)
Net Claimed Amount	(16) \$ 218,823	(35)
Due from State (08) \$ 355,000	(17) \$ 218,823	(36)
Due to State	(18) \$ -	(37)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file claims with the State of California for costs mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, set forth on the attached statements.

Signature of Authorized Officer

Date 1/9/03

Fred Williams
 Fred Williams
 Type or Print Name *RSB*

District Director of Fiscal Affairs
 Title

(39) Name of Contact Person or Claim

Telephone Number (858) 514-8605

SixTen and Associates

E-Mail Address kbpsixten@aol.com

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.0**

(01) Claimant: Claimant Name North Orange County Community College	(02) Type of Claim: Reimbursement	<input checked="" type="checkbox"/>	Fiscal Year
	Estimated	<input type="checkbox"/>	2001-2002

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

(a) Name of College	(b) Claimed Amount
1. Fullerton College	\$ 255,900.84
2. Cypress College	\$ 69,186.20
3.	\$ -
4.	\$ -
5.	\$ -
6.	\$ -
7.	\$ -
8.	\$ -
9.	\$ -
10.	\$ -
11.	\$ -
12.	\$ -
13.	\$ -
14.	\$ -
15.	\$ -
16.	\$ -
17.	\$ -
18.	\$ -
19.	\$ -
20.	\$ -
21.	\$ -
(04) Total Amount Claimed	\$ 325,087

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

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.1**

(01) Claimant: North Orange County Community College Dist.	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2001-2002
---	--	------------------------------

(03) Name of College: Fullerton College

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

LESS SAME MORE

	Direct Cost	Indirect Cost of: 38.00%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 510,018	\$ 193,807	\$ 703,825
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87	\$ -	\$ -	\$ -
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 510,018	\$ 193,807	\$ 703,825

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

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester	6,024	10,638	\$ 11.00	\$ 66,264	\$ 11.00	\$ 117,018	\$ 183,282
2. Per spring semester	5,882	9,887	\$ 11.00	\$ 64,702	\$ 11.00	\$ 108,757	\$ 173,459
3. Per summer session	2,308	7,781	\$ 8.00	\$ 18,464	\$ 8.00	\$ 62,248	\$ 80,712
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -
(09) Total health fee that could have been collected	[Line (8.1g) + (8.2g) +(8.6g)]						\$ 437,453
(10) Sub-total	[Line (07) - line (09)]						\$ 266,372

Cost Reduction	
(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	\$ 10,471
(13) Total Amount Claimed	[Line (10) - ((line (11) + line (12)))] \$ 255,901

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.2**

(01) Claimant: North Orange County Community College Dist.	(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2001-2002
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(03) Name of College Cypress College

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

LESS SAME MORE

	Direct Cost	Indirect Cost of: 38.00%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 232,240	\$ 88,251	\$ 320,491
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87	\$ -	\$ -	\$ -
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 232,240	\$ 88,251	\$ 320,491

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

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester	3,112	6,117	\$ 11.00	\$ 34,232	\$ 11.00	\$ 67,287	\$ 101,519
2. Per spring semester	2,871	6,350	\$ 11.00	\$ 31,581	\$ 11.00	\$ 69,850	\$ 101,431
3. Per summer session	1,275	2,786	\$ 8.00	\$ 10,200	\$ 8.00	\$ 22,288	\$ 32,488
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -
(09) Total health fee that could have been collected [Line (8.1g) + (8.2g) +(8.6g)]							\$ 235,438
(10) Sub-total [Line (07) - line (09)]							\$ 85,053
Cost Reduction							
(11) Less: Offsetting Savings, if applicable							\$ -
(12) Less: Other Reimbursements, if applicable							\$ 15,867
(13) Total Amount Claimed [Line (10) - {(line (11) + line (12))}]							\$ 69,186

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #:

DATE: June 9, 1998

INSTITUTION:

North Orange County Community College District
1000 North Lemon Street

FILING REF.: The preced:
Agreement was dated
March 30, 1987

Fullerton

CA 92634

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES: FIXED	FINAL		PROV. (PROVISIONAL)	PRED. (PREDETERMINED)	
	FROM	TO			
<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE (%)</u>	<u>LOCATIONS</u>	<u>APPLICABLE TO</u>
PRED.	07/01/97	06/30/02	38.0	On-Campus	All Programs
PROV.	07/01/02	06/30/04	38.0	On-Campus	All Programs

***BASE:**

Direct salaries and wages including vacation, holiday, sick pay and other paid absences but excluding all other fringe benefits.

North Orange County Community College District
General Ledger Expenses 2001-2002

		<u>Expenses</u>	<u>Amounts:</u> <u>Other</u> <u>Reimbursements</u>
Fullerton College	Per General Ledger	\$510,018.02	
	Student Insurance		\$10,471
Total		\$510,018.02	
Cypress College	Per General Ledger	\$232,239.67	
	Student Insurance		\$15,867.00
Total		\$232,239.67	
Grand Total		<u>\$742,258.00</u>	<u>\$26,338.00</u>

✓

SCHEDULE OF STUDENT ENROLLMENT

2001-2002

NORTH ORANGE COUNTY CCD

LESS: STUDENTS ONLY ENROLLED IN FRI AFTER 4 PM, SAT, DISTANCE ED, & ON-LINE CLASSES.

NET STUDENTS

TOTAL STUDENTS LESS: BOGG

FULLERTON COLLEGE
 FT SUMMER ENROLLMENT
 FT FALL ENROLLMENT
 FT SPRING ENROLLMENT

2308
 7249
 7170

-1225
 -1288

2308
 6024
 5882

PT SUMMER ENROLLMENT
 PT FALL ENROLLMENT
 PT SPRING ENROLLMENT

9469
 13990
 14422
 54608

-1498
 -2512
 -2866

7781
 10638
 9887
 22520

-190 *
 -840
 -1669

CYPRESS COLLEGE

FT SUMMER ENROLLMENT
 FT FALL ENROLLMENT
 FT SPRING ENROLLMENT

1275
 4953
 4848

-1841
 -1977

1275
 3112
 2871

PT SUMMER ENROLLMENT
 PT FALL ENROLLMENT
 PT SPRING ENROLLMENT

4092
 10393
 11415
 36976

-1167
 -3859
 -4657

2786
 6117
 6350
 22571

-139 *
 -417
 -408

BOGG STUDENTS PRORATED TO FT & PT BASED ON TOTAL ENROLLMENT PER SEMESTER, PER COLLEGE-SUMMER TO PART TIME

*BASED ON 2000-2001 % AS INFORMATION NOT AVAILABLE THRU BANNER

Period End Date: June 30, 2002 Chart Code: 1
 Fund: 11100 Prior Year
 Orgn: 2520 CC Health Center
 Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
43000 Instructional Supplies & Materials	29,285.00	.00	.00	.00	29,285.00
Total: No Activity	29,285.00	.00	.00	.00	29,285.00

Total All Activities 29,285.00 .00 .00 .00 29,285.00

CYPRESS COLLEGE

327302.51 +
 557.68 +
 199,399.48 +
 0003
 232,239.67 *
 252,239.67

Fiscal Year: 02 Period: 12

Period End Date: June 30, 2002
 Fund: 11100 Prior Year
 Orgn: 5565 FC Health Services
 Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
6050 13310 Extended Day Instructors, Fall Sem.	1,400.00	.00	.00	.00	1,400.00
23000 Noninstructional Salaries, Other	22,168.00	.00	.00	.00	22,168.00
30000 Employee Benefits	2,216.00	.00	.00	.00	2,216.00
40000 Supplies & Materials	9,000.00	.00	.00	.00	9,000.00
44110 Noninstructional Supplies, Material	-1,400.00	.00	.00	.00	-1,400.00
52510 Electricity	10,000.00	10,000.00	10,000.00	.00	.00
Total: 6050 Mandated Costs	43,384.00	10,000.00	10,000.00	.00	33,384.00

Total All Activities 43,384.00 10,536.10 41,948.19 .00 1,435.81

Fiscal Year: 02 Period: 12

Period End Date: June 30, 2002

Fund: 11100 Prior Year
Orgn: 5580 FC Wellness
Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
23400 Hourly - Professional	.00	.00	1,035.00	.00	-1,035.00
24200 Hourly-Inst Aide/Non-Direct Inst	.00	.00	425.25	.00	-425.25
33000 Old Age, Survi, Disab, & Health Ins	.00	.00	42.84	.00	-42.84
35000 State Unemployment Insurance	.00	.00	1.90	.00	-1.90
36000 Workers' Compensation	.00	.00	14.61	.00	-14.61

Total:	.00	.00	1,519.60	.00	-1,519.60
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Total All Activities	.00	.00	1,519.60 ✓	.00	-1,519.60
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Fiscal Year: 02 Period: 12

Period End Date: June 30, 2002

Fund: 11200 Current Year

Orgn: 5580 FC Wellness

Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
23400 Hourly - Professional	.00	.00	1,815.00	.00	-1,815.00
24200 Hourly-Inst Aide/Non-Direct Inst	.00	.00	1,482.66	.00	-1,482.66
33000 Old Age, Survi, Disab, & Health Ins	.00	.00	171.86	.00	-171.86
35000 State Unemployment Insurance	.00	.00	2.92	.00	-2.92
36000 Workers' Compensation	.00	.00	32.98	.00	-32.98
Total: No Activity	.00	.00	3,505.42	.00	-3,505.42

Total All Activities

3,505.42 ✓

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Period End Date: June 30, 2002

Fund: 14000 Self-supported Programs

Orgn: 2520 CC Health Center

Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
23000 Noninstructional Salaries, Other	4,000.00	.00	.00	.00	4,000.00
40000 Supplies & Materials	16,000.00	.00	.00	.00	16,000.00
43000 Instructional Supplies & Materials	.00	.00	2,197.60	.00	-2,197.60
44110 Noninstructional Supplies, Material	.00	1,400.48	14,015.62	.00	-14,015.62
44110 Noninstructional Supplies, Material	.00	.00	107.50	.00	-107.50
50000 Other Operating Expenses & Services	13,000.00	.00	.00	.00	13,000.00
51900 Personal & Consultant Services	.00	2,161.64	10,473.49	.00	-10,473.49
64110 Equipment over \$1000	.00	.00	4,976.17	.00	-4,976.17
64120 Equipment between \$200 & \$1000	.00	.00	532.13	.00	-532.13
88760 Health Services	33,000.00	29,901.30	<29,901.30	.00	3,098.70
Total: No Activity	66,000.00	33,463.42	62,203.81	.00	3,796.19

Total All Activities

62,203.81

~~62,203.81~~

Period End Date: June 30, 2002

Fund: 14000 Self-supported Programs

Orgn: 4800 CC Campus Related Services

Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
52100 Rents & Leases	.00	.00	537.68	.00	-537.68
Total:	.00	.00	537.68	.00	-537.68
Total All Activities	.00	.00	537.68	.00	-537.68

Report Title

Fiscal Year: 02 Period: 12

Period End Date: June 30, 2002

Fund: 14000 Self-supported Programs
 Orgn: 5565 FC Health Services
 Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
21510 Classified Administrators	.00	2,853.41	26,440.98	.00	-26,440.98
33000 Old Age, Survi, Disab, & Health Ins	.00	218.28	2,022.74	.00	-2,022.74
35000 State Unemployment Insurance	.00	3.71	34.40	.00	-34.40
36000 Workers' Compensation	.00	28.54	264.41	.00	-264.41
42000 Books, Magazines, & Periodicals	450.00	.00	79.00	.00	371.00
44000 Noninstructional Supplies, Material	12,000.00	.00	.00	.00	12,000.00
44110 Noninstructional Supplies, Material	2,000.00	282.16	10,864.26	.00	-8,864.26
51400 Dues & Membership	500.00	.00	259.00	.00	241.00
51610 Insurance Premiums	850.00	.00	849.75	.00	.25
51900 Personal & Consultant Services	6,000.00	888.21	5,596.08	.00	403.92
52210 Building Repairs	300.00	.00	.00	.00	300.00
52220 Equipment Repairs	500.00	.00	485.56	.00	14.44
52415 Travel & Conference - Employees	1,200.00	441.58	615.84	.00	584.16
52570 Laundry Services	100.00	.00	.00	.00	100.00
52640 Advertising	150.00	.00	.00	.00	150.00
52710 Mandated Fees	150.00	.00	150.00	.00	.00
52715 Other Operating Expenses & Services	550.00	87.12	298.29	.00	251.71
64000 Equipment	2,000.00	.00	.00	.00	2,000.00
64120 Equipment between \$200 & \$1000	.00	.00	1,081.56	.00	-1,081.56
88760 Health Services	26,750.00	.00	.00	.00	26,750.00

Fiscal Year: 02 Period: 12

Period End Date: June 30, 2002

Fund: 14000 Self-supported Programs
Orgn: 5565 FC Health Services
Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
88970 Miscellaneous	.00	20,279.34	20,279.34	.00	-20,279.34
Total: No Activity	53,500.00	25,082.35	69,321.21	.00	-15,821.21
Total All Activities	53,500.00	25,082.35	69,321.21	.00	-15,821.21

49041.87 ✓

Fiscal Year: 02 Period: 12

Period End Date: June 30, 2002

Fund: 19210 CC Health Services
 Orgn: 2520 CC Health Center
 Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
12300 Counselors	13,250.00	.00	.00	.00	13,250.00
12300 Counselors	-5,825.00	.00	.00	.00	-5,825.00
12510 Academic Administrators	18,000.00	.00	.00	.00	18,000.00
14200 Hourly Counselor	.00	1,673.42	11,044.57	.00	-11,044.57
21110 Classified Monthly Salaries	100,700.00	7,140.53	91,447.28	.00	9,252.72
23100 Hourly - Clerical/Secretarial	80,300.00	.00	.00	.00	80,300.00
23400 Hourly - Professional	.00	4,908.50	41,658.00	.00	-41,658.00
30000 Employee Benefits	37,100.00	.00	.00	.00	37,100.00
31000 State Teachers Ret. Sys (STRS) Fund	.00	110.53	746.14	.00	-746.14
32000 Public Empls Retire Sys (PERS) Fund	.00	499.84	6,401.31	.00	-6,401.31
33000 Old Age, Survi, Disab, & Health Ins	.00	729.54	8,682.09	.00	-8,682.09
34100 H & W Current Employees	.00	1,303.77	14,386.46	.00	-14,386.46
35000 State Unemployment Insurance	.00	17.84	187.35	.00	-187.35
36000 Workers' Compensation	.00	137.23	1,441.51	.00	-1,441.51
37000 Local/Alternative Retirement System	.00	80.60	629.20	.00	-629.20
40000 Supplies & Materials	800.00	.00	.00	.00	800.00
42000 Books, Magazines, & Periodicals	.00	.00	218.21	.00	-218.21
44110 Noninstructional Supplies, Material	2,000.00	19.31	2,003.48	.00	-3.48
50000 Other Operating Expenses & Services	16,900.00	.00	.00	.00	16,900.00
51610 Insurance Premiums	3,500.00	.00	4,318.80	.00	-818.80

Report Title

Fiscal Year: 02

Period: 12

Period End Date: June 30, 2002

Fund: 19210 CC Health Services
Orgn: 2520 CC Health Center
Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
51620 Student Insurance	.00	.00	15,876.00	.00	-15,876.00
52000 Postage	.00	3.00	34.08	.00	-34.08
61200 Site Improvement	325.00	325.00	325.00	.00	.00
64000 Equipment	176,164.00	.00	.00	.00	176,164.00
88760 Health Services	267,050.00	360,694.97	(360,694.97)	.00	-93,644.97

Total: No Activity 710,264.00 377,644.08 560,094.45 .00 150,169.55

Total All Activities 710,264.00 377,644.08 560,094.45 .00 150,169.55



Fiscal Year: 02

Period: 12

Period End Date: June 30, 2002

Fund: 19220 FC Health Services
 Orgn: 5565 FC Health Services
 Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
12510 Academic Administrators	.00	6,694.36	80,332.37	.00	-80,332.37
21110 Classified Monthly Salaries	134,647.00	10,302.20	134,031.14	.00	615.86
21510 Classified Administrators	78,408.00	.00	.00	.00	78,408.00
23000 Noninstructional Salaries, Other	101,737.00	.00	.00	.00	101,737.00
23400 Hourly - Professional	.00	9,156.01	90,740.64	.00	-90,740.64
23700 Classified Monthly Overtime	1,000.00	.00	.00	.00	1,000.00
30000 Employee Benefits	13,699.00	.00	.00	.00	13,699.00
31000 State Teachers Ret. Sys (STRS) Fund	9,211.00	855.35	10,017.33	.00	-806.33
32000 Public Empls Retire Sys (PERS) Fund	8,364.00	464.00	6,401.53	.00	1,962.47
33000 Old Age, Survi, Disab, & Health Ins	11,996.00	1,300.33	15,367.67	.00	-3,371.67
34100 H & W Current Employees	.00	3,440.03	39,845.66	.00	-39,845.66
35000 State Unemployment Insurance	220.00	34.00	396.64	.00	-176.64
36000 Workers' Compensation	3,155.00	261.54	3,051.17	.00	103.83
37000 Local/Alternative Retirement System	.00	24.13	147.78	.00	-147.78
39000 Other Benefits	14,390.00	.00	.00	.00	14,390.00
42000 Books, Magazines, & Periodicals	420.00	.00	52.00	.00	368.00
44110 Noninstructional Supplies, Material	5,438.00	848.91	4,708.82	.00	729.18
51400 Dues & Membership	682.00	.00	484.58	.00	197.42
51610 Insurance Premiums	5,200.00	.00	5,200.00	.00	.00
51620 Student Insurance	13,000.00	.00	10,471.00	.00	2,529.00

Report Title

Fiscal Year: 02 Period: 12

Period End Date: June 30, 2002
Fund: 19220 FC Health Services
Orgn: 5565 FC Health Services
Prog: 6440 Health Services

Actv Acct Title	Adjusted Budget	Current Period Activity	Year To Date Activity	Encumbrances	Available Balance
51900 Personal & Consultant Services	1,000.00	.00	.00	.00	1,000.00
52000 Postage	350.00	53.66	192.39	.00	157.61
52210 Building Repairs	400.00	.00	.00	.00	400.00
52230 Maintenance Agreements	380.00	114.00	335.92	.00	44.08
52415 Travel & Conference - Employees	1,924.00	.00	978.08	.00	945.92
52460 Mileage	100.00	.00	.00	.00	100.00
52560 Hazardous Waste Removal	624.00	214.35	602.52	.00	21.48
52570 Laundry Services	50.00	.00	.00	.00	50.00
52715 Other Operating Expenses & Services	3,600.00	.00	3,600.00	.00	.00
64000 Equipment	9,675.00	.00	.00	.00	9,675.00
64120 Equipment between \$200 & \$1000	.00	.00	1,121.70	.00	-1,121.70
64310 Comp & Related Equip over \$1,000	.00	.00	3,800.00	.00	-3,800.00
64310 Comp & Related Equip over \$1,000	.00	.00	1,924.00	.00	-1,924.00
64320 Comp Equip between \$200 & \$1,000	.00	.00	200.00	.00	-200.00
79300 Budget Center	27,938.00	.00	.00	.00	27,938.00
88760 Health Services	412,995.00	414,939.79	414,939.79	.00	-1,944.79
Total: No Activity	860,603.00	448,702.66	828,942.73	.00	31,660.27

Total All Activities 860,603.00 448,702.66 828,942.73 .00 31,660.27

414,939.79

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

**FORM
HFE-2.1**

(U) Claimant

North Orange County Community College Dist.

Fiscal Year

2001-2002

(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.

(a) FY 1986/87	(b) FY of Claim
----------------------	-----------------------

Birth Control/Family Planning	X	X
Stop Smoking	X	X
Library, Videos and Cassettes	X	X
First Aid, Major Emergencies	X	X
First Aid, Minor Emergencies	X	X
First Aid Kits, Filled	X	X
Immunizations		
Diphtheria/Tetanus	X	X
Measles/Rubella	X	X
Influenza	X	X
Information	X	X
Insurance		
On Campus Accident	X	X
Voluntary	X	X
Insurance Inquiry/Claim Administration	X	X
Laboratory Tests Done		
Inquiry/Interpretation	X	X
Pap Smears	X	X
Physical Examinations		
Employees	X	X
Students	X	X
Athletes	X	X
Medications		
Antacids	X	X
Antidiarrheal	X	X
Aspirin, Tylenol, etc.,	X	X
Skin Rash Preparations	X	X
Eye Drops	X	X
Ear Drops	X	X
Toothache, oil cloves	X	X
Stingkill	X	X
Midol, Menstrual Cramps	X	X
Other, list--> Ibuprofen	X	X
Parking Cards/Elevator Keys		
Tokens	X	X
Return Card/Key	X	X
Parking Inquiry	X	X
Elevator Passes	X	X
Temporary Handicapped Parking Permits	X	X

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

**FORM
HFE-2.1**

(01) Claimant

North Orange County Community College Dist.

Fiscal Year

2001-2002

(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.

(a) FY 1986/87	(b) FY of Claim
----------------------	-----------------------

Referrals to Outside Agencies

- Private Medical Doctor
- Health Department Clinic
- Dental
- Counseling Centers
- Crisis Centers
- Transitional Living Facilities, battered/homeless women
- Family Planning Facilities
- Other Health Agencies

X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X

Tests

- Blood Pressure
- Hearing
- Tuberculosis Reading Information
- Vision
- Glucometer
- Urinalysis
- Hemoglobin
- EKG
- Strep A Testing
- PG Testing
- Monospot
- Hemacult
- Others, list

X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X

Miscellaneous

- Absence Excuses/PE Waiver
- Allergy Injections
- Bandaids
- Booklets/Pamphlets
- Dressing Change
- Rest
- Suture Removal
- Temperature
- Weigh
- Information Report/Form
- Wart Removal
- Others, list

X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X
X	X

Committees

- Safety
- Environmental
- Disaster Planning
- Skin Rash Preparations
- Eye Drops

X	X
X	X

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

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



Claimant Identification Number: S00105			Reimbursement Claim Data	
(02) Mailing Address:			(22) HFE - 1.0, (04)(b)	\$ 467,078
Claimant Name North Orange County Community College District			(23)	
County of Location Orange			(24)	
Street Address 1830 W. Romneya, Drive			(25)	
City Anaheim	State CA	Zip Code 92801-1819	(26)	
Type of Claim	Estimated Claim	Reimbursement Claim	(27)	
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(28)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)	
Fiscal Year of Cost	(06) 2003-2004	(12) 2002-2003	(31)	
Total Claimed Amount	(07) \$ 460,000	(13) \$ 467,078	(32)	
Less: 10% Late Penalty, but not to exceed \$1000		(14) \$ -	(33)	
Less: Estimate Claim Payment Received		(15) \$ -	(34)	
Net Claimed Amount		(16) \$ 467,078	(35)	
Due from State	(08) \$ 460,000	(17) \$ 467,078	(36)	
Due to State		(18) \$ -	(37)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file claims with the State of California for costs mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, set forth on the attached statements.

Signature of Authorized Officer

Date

Fred Williams

 Fred Williams

1/12/04

 District Director of Fiscal Affairs

Type or Print Name

Title

(39) Name of Contact Person or Claim

Telephone Number (858) 514-8605

SixTen and Associates

E-Mail Address kbpsixten@aol.com

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.0**

(01) Claimant:

Claimant Name

North Orange County Community College

(02) Type of Claim:

Reimbursement

Estimated

Fiscal Year

2002-2003

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

(a) Name of College	(b) Claimed Amount
1. Fullerton College	\$ 308,812
2. Cypress College	\$ 158,265
3.	\$ -
4.	\$ -
5.	\$ -
6.	\$ -
7.	\$ -
8.	\$ -
9.	\$ -
10.	\$ -
11.	\$ -
12.	\$ -
13.	\$ -
14.	\$ -
15.	\$ -
16.	\$ -
17.	\$ -
18.	\$ -
19.	\$ -
20.	\$ -
21.	\$ -
(04) Total Amount Claimed	\$ 467,078

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

**MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY**

**FORM
HFE-1.1**

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

(03) Name of College Fullerton College

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

LESS SAME MORE

	Direct Cost	Indirect Cost of: 39.00%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 523,278	\$ 204,078	\$ 727,356
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87	\$ -	\$ -	\$ -
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 523,278	\$ 204,078	\$ 727,356

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

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester				\$ -		\$ -	\$ -
2. Per spring semester				\$ -		\$ -	\$ -
3. Per summer session				\$ -		\$ -	\$ -
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -
(09) Total health fee that could have been collected	[Line (8.1g) + (8.2g) +(8.6g)]						\$ 418,544
(10) Sub-total	[Line (07) - line (09)]						\$ 308,812

Cost Reduction	
(11) Less: Offsetting Savings, if applicable	\$ -
(12) Less: Other Reimbursements, if applicable	
(13) Total Amount Claimed	[Line (10) - {(line (11) + line (12))}] \$ 308,812

MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY	FORM HFE-1.2
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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 2002-2003
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(03) Name of College Cypress College

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

LESS SAME MORE

		Indirect Cost of: 39.00%	Total
(05) Cost of Health Services for the Fiscal year of Claim	\$ 307,673	\$ 119,992	\$ 427,665
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87	\$ -	\$ -	\$ -
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 307,673	\$ 119,992	\$ 427,665

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

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester				\$ -		\$ -	\$ -
2. Per spring semester				\$ -		\$ -	\$ -
3. Per summer session				\$ -		\$ -	\$ -
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -

(09) Total health fee that could have been collected	[Line (8.1g) + (8.2g) +(8.6g)]	\$ 269,400
(10) Sub-total	[Line (07) - line (09)]	\$ 158,265

Cost Reduction

(11) Less: Offsetting Savings, if applicable		\$ -
(12) Less: Other Reimbursements, if applicable		
(13) Total Amount Claimed	[Line (10) - {(line (11) + line (12))}]	\$ 158,265

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #:

DATE: August 8, 2002

INSTITUTION:
 North Orange County Community College District
 1000 North Lemon Street

FILING REF.: The preceding
 Agreement was dated
 June 9, 1998

Fullerton

CA 92634

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/02	06/30/06	39.0	On-Campus	All Programs
PROV.	07/01/06	06/30/07	39.0	On-Campus	All Programs

***BASE:**

Direct salaries and wages including vacation, holiday, sick pay and other paid absences but excluding all other fringe benefits.

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

**FORM
HFE-2.1**

Claimant	Fiscal Year	
North Orange County Community College District	2002-2003	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.	(a) FY 1986/87	(b) FY of Claim
Accident Reports	X	X
Appointments		
College Physician, surgeon	X	X
Dermatology, Family practice	X	X
Internal Medicine		
Outside Physician		
Dental Services		
Outside Labs, (X-ray, etc.,)	X	X
Psychologist, full services	X	X
Cancel/Change Appointments	X	X
Registered Nurse		
Check Appointments		
Assessment, Intervention and Counseling		
Birth Control	X	X
Lab Reports	X	X
Nutrition	X	X
Test Results, office	X	X
Venereal Disease	X	X
Communicable Disease	X	X
Upper Respiratory Infection	X	X
Eyes, Nose and Throat	X	X
Eye/Vision	X	X
Dermatology/Allergy	X	X
Gynecology/Pregnancy Service	X	X
Neuralgic	X	X
Orthopedic	X	X
Genito/Urinary	X	X
Dental	X	X
Gastro-Intestinal	X	X
Stress Counseling	X	X
Crisis Intervention	X	X
Child Abuse Reporting and Counseling	X	X
Substance Abuse Identification and Counseling	X	X
Eating Disorders	X	X
Weight Control	X	X
Personal Hygiene	X	X
Burnout		
Other Medical Problems, list		
Examinations, minor illnesses		
Recheck Minor Injury	X	X
Health Talks or Fairs, Information		
Sexually Transmitted Disease	X	X
Drugs	X	X
Acquired Immune Deficiency Syndrome		
Child Abuse		

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

**FORM
HFE-2.1**

Claimant North Orange County Community College District	Fiscal Year 2002-2003	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.	(a) FY 1986/87	(b) FY of Claim
Birth Control/Family Planning	X	X
Stop Smoking	X	X
Library, Videos and Cassettes	X	X
First Aid, Major Emergencies	X	X
First Aid, Minor Emergencies	X	X
First Aid Kits, Filled	X	X
Immunizations		
Diphtheria/Tetanus	X	X
Measles/Rubella	X	X
Influenza	X	X
Information	X	X
Insurance		
On Campus Accident	X	X
Voluntary	X	X
Insurance Inquiry/Claim Administration	X	X
Laboratory Tests Done		
Inquiry/Interpretation	X	X
Pap Smears	X	X
Physical Examinations		
Employees	X	X
Students	X	X
Athletes	X	X
Medications		
Antacids	X	X
Antidiarrheal	X	X
Aspirin, Tylenol, etc.,	X	X
Skin Rash Preparations	X	X
Eye Drops	X	X
Ear Drops	X	X
Toothache, oil cloves	X	X
Stingkill	X	X
Midol, Menstrual Cramps	X	X
Other, list: Ibuprofen	X	X
Parking Cards/Elevator Keys		
Tokens	X	X
Return Card/Key	X	X
Parking Inquiry	X	X
Elevator Passes	X	X
Temporary Handicapped Parking Permits	X	X

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

**FORM
HFE-2.1**

Claimant North Orange County Community College District	Fiscal Year 2002-2003	
(03) Place an "X" in column (a) and/or (b), as applicable, to indicate which health Service was provided by student health service fees for the indicated fiscal year.	(a) FY 1986/87	(b) FY of Claim
Referrals to Outside Agencies	X	X
Private Medical Doctor	X	X
Health Department	X	X
Clinic	X	X
Dental	X	X
Counseling Centers	X	X
Crisis Centers	X	X
Transitional Living Facilities, battered/homeless women	X	X
Family Planning Facilities	X	X
Other Health Agencies	X	X
Tests		
Blood Pressure	X	X
Hearing	X	X
Tuberculosis		
Reading	X	X
Information	X	X
Vision	X	X
Glucometer	X	X
Urinalysis	X	X
Hemoglobin		
EKG		
Strep A Testing	X	X
PG Testing	X	X
Monospot	X	X
Hemacult	X	X
Others, list		
Miscellaneous		
Absence Excuses/PE Waiver	X	X
Allergy Injections	X	X
Band-aids	X	X
Booklets/Pamphlets	X	X
Dressing Change	X	X
Rest	X	X
Suture Removal	X	X
Temperature	X	X
Weigh	X	X
Information	X	X
Report/Form	X	X
Wart Removal	X	X
Others, list		
Committees		
Safety	X	X
Environmental		
Disaster Planning	X	X
Skin Rash Preparations		
Eye Drops		

State of California

School Mandated Cost Manual

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 HEALTH FEE ELIMINATION	For State Controller Use only (19) Program Number 00029 (20) Date Filed JAN 15 2004 (21) LRS Input 01-1-15
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L A B E L H E R E	(01) Claimant Identification Number: CC30105 S90105	Reimbursement Claim Data	
	(02) Mailing Address:	(22) HFE - 1.0, (04)(b)	\$ 467,078
	Claimant Name	(23)	
	North Orange County Community College District	(24)	
	County of Location	(25)	
	Orange	(26)	
	Street Address	(27)	
1830 W. Romneya, Drive	(28)		
City	(29)		
Anaheim	(30)		
State	(31)		
CA	(32)		
Zip Code	(33)		
92801-1819	(34)		

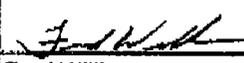
Type of Claim	Estimated Claim	Reimbursement Claim	
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(28)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)
Fiscal Year of Cost	(06) 2003-2004 3	(12) 2002-2003 3	(31)
Total Claimed Amount	(07) \$ 460,000	(13) \$ 467,078	(32)
Less: 10% Late Penalty, but not to exceed \$1000		(14) \$ -	(33)
Less: Estimate Claim Payment Received		(15) \$ -	(34)
Net Claimed Amount		(16) \$ 467,078	(35)
Due from State	(08) \$ 480,000	(17) \$ 467,078	(36)
Due to State		(18) \$ -	(37)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file claims with the State of California for costs mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 1, Statutes of 1984, and Chapter 1118, Statutes of 1987, set forth on the attached statements.

Signature of Authorized Officer	Date
	1/12/04
Fred Williams	District Director of Fiscal Affairs
Type or Print Name	Title

(39) Name of Contact Person or Claim	Telephone Number
SixTen and Associates	(858) 514-8605
	E-Mail Address
	kbpsixten@aol.com

State Controller's Office

School Mandated Cost Manual

	MANDATED COSTS HEALTH FEE ELIMINATION CLAIM SUMMARY	FORM HFE-1.0
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(01) Claimant:	(02) Type of Claim:	Fiscal Year
Claimant Name	Reimbursement <input checked="" type="checkbox"/>	
North Orange County Community College	Estimated <input type="checkbox"/>	2002-2003

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

	(a) Name of College	(b) Claimed Amount
1.	Fullerton College	\$ 308,812
2.	Cypress College	\$ 158,265
3.		\$ -
4.		\$ -
5.		\$ -
6.		\$ -
7.		\$ -
8.		\$ -
9.		\$ -
10.		\$ -
11.		\$ -
12.		\$ -
13.		\$ -
14.		\$ -
15.		\$ -
16.		\$ -
17.		\$ -
18.		\$ -
19.		\$ -
20.		\$ -
21.		\$ -
(04) Total Amount Claimed		\$ 467,078
<small>[Line (3.1b) + line (3.2b) + line (3.3b) + ... line (3.21b)]</small>		

State Controller's Office

School Mandated Cost Manual

MANDATED COSTS		FORM					
HEALTH FEE ELIMINATION		HFE-1.1					
CLAIM SUMMARY							
(01) Claimant: North Orange County Community College District		(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>					
		Fiscal Year 2002-2003					
(03) Name of College Fullerton College							
(04) Indicate with a check mark, the level at which health services were provided during the fiscal year of reimbursement in comparison to the 1986/87 fiscal year. If the "Less" box is checked, STOP, do not complete the form. No reimbursement is allowed.							
<p style="text-align: center;"> LESS <input type="checkbox"/> SAME <input checked="" type="checkbox"/> MORE <input type="checkbox"/> </p>							
		Direct Cost	Indirect Cost of: 39.00%				
(05) Cost of Health Services for the Fiscal year of Claim		\$ 523,278	\$ 204,078				
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87		\$ -	\$ -				
(07) Cost of providing current fiscal year health services at the 1986/87 level (Line (05) - line (06))		\$ 523,278	\$ 204,078				
(08) Complete Columns (a) through (g) to provide detail data for health fees							
Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester				\$ -		\$ -	\$ -
2. Per spring semester				\$ -		\$ -	\$ -
3. Per summer session				\$ -		\$ -	\$ -
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -
(09) Total health fee that could have been collected				[Line (8.1g) + (8.2g) +(8.6g)]			\$ 418,544
(10) Sub-total				[Line (07) - line (09)]			\$ 308,812
Cost Reduction							
(11) Less: Offsetting Savings, if applicable				\$ -			
(12) Less: Other Reimbursements, if applicable							
(13) Total Amount Claimed				[Line (10) - (line (11) - line (12))]			\$ 308,812

Revised 9/97

Chapters 1/84 and 1118/87

MANDATED COSTS
HEALTH FEE ELIMINATION
CLAIM SUMMARY

FORM
HFE-1.2

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

(03) Name of College Cypress College

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

LESS SAME MORE

		Indirect Cost of:	Total
		39.00%	
(05) Cost of Health Services for the Fiscal year of Claim	\$ 307,673	\$ 119,992	\$ 427,665
(06) Cost of providing current fiscal year health services which are in excess of the level provided in 1986/87	\$ -	\$ -	\$ -
(07) Cost of providing current fiscal year health services at the 1986/87 level [Line (05) - line (06)]	\$ 307,673	\$ 119,992	\$ 427,665

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

Period for which health fees were collected	(a) Number of Full-time Students	(b) Number of Part-time Students	(c) Unit Cost for Full-time Student per Educ. Code § 76355	(d) Full-time Student Health Fees (a) x (c)	(e) Unit Cost for Part-time Student per Educ. Code § 76355	(f) Part-time Student Health Fees (b) x (e)	(g) Student Health Fees That Could Have Been Collected (d) + (f)
1. Per fall semester				\$ -		\$ -	\$ -
2. Per spring semester				\$ -		\$ -	\$ -
3. Per summer session				\$ -		\$ -	\$ -
4. Per first quarter				\$ -		\$ -	\$ -
5. Per second quarter				\$ -		\$ -	\$ -
6. Per third quarter				\$ -		\$ -	\$ -

(09) Total health fee that could have been collected [Line (8.1g) + (8.2g) +(8.6g)]

\$ 269,400

(10) Sub-total [Line (07) - line (09)]

\$ 158,265

Cost Reduction

(11) Less: Offsetting Savings, if applicable \$ -

(12) Less: Other Reimbursements, if applicable \$ -

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

\$ 158,265