

COMMISSION ON STATE MANDATES

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January 20, 2012

Mr. Keith Petersen
SixTen and Associates
P.O. Box 340430
Sacramento, CA 95834-
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Elizabeth Miller, EdD,
Administrative Services
Allan Hancock Joint Community
College District
800 South College Drive
Santa Maria, CA 93454-6399

Mr. Jim Spano
Division of Audits
State Controller's Office
3301 C Street, Suite 700
Sacramento, CA 95816

And Interested Parties and Affected State Agencies (see mailing list)

RE: Statement of Decision

Incorrect Reduction Claims

Health Fee Elimination (09-4206-I-19, 09-4206-I-20, 09-4206-I-23, 09-4206-I-26,
09-4206-I-27, 09-4206-I-28, 09-4206-I-30)

Education Code Section 76355

Statutes 1984, Chapter 1; Statutes 1987, Chapter 1118

Claimants: Citrus Community College District (FYs 2002-02 – 2006-07), Cerritos
Community College District (FYs 2002-03 – 2006-07), Los Rios Community College
District (FYs 2005-06 – 2007-08), Redwoods Community College District
(FYs 2002-03 – 2008-09), Allan Hancock Joint Community College District
(FYs 2002-03 – 2006-07), Rancho Santiago Community College District (FYs 2005-06 –
2008-09), Pasadena Community College District (FYs 2004-05 – 2005-06)

Dear Mr. Petersen, Ms. Miller, and Mr. Spano:

On October 27, 2011, the Commission on State Mandates (Commission) adopted the statement of decision to partially approve the consolidated incorrect reduction claims in the above-entitled matter. Unfortunately, we just discovered that this statement of decision was not previously issued to you, and we apologize for the delay.

The Commission concluded that the Controller incorrectly reduced costs incurred that are attributable to physicals for athletes by using the health service fee community college districts were authorized to charge as offsetting revenue for reimbursement claims made by the following community college districts, for the following fiscal years, and at issue in the following incorrect reduction claims:

- Cerritos Community College District claimed costs associated with providing physicals for athletes during fiscal years 2002-2003 through 2006-2007 (CSM 09-4206-I-20).
- Los Rios Community College District claimed costs associated with providing physicals for athletes during fiscal years 2005-2006 through 2007-2008 (CSM 09-4206-I-23).
- Redwoods Community College District claimed costs associated with providing physicals for athletes during fiscal years 2002-2003 through 2006-2007 (CSM 09-4206-I-26).

The above community college districts' reimbursement claims are remanded back to the Controller to determine the portion of the total costs claimed that are attributable to physicals for athletes. The costs for physicals for athletes should be reinstated.

Additionally, the Commission concluded that the Controller incorrectly reduced costs incurred that were attributable to physicals for employees by using the health service fee community college districts were authorized to charge as offsetting revenue for reimbursement claims made by the following community college districts, for the following fiscal years, and at issue in the following incorrect reduction claims:

- Cerritos Community College District claimed costs associated with providing physicals for employees during fiscal years 2002-2003 through 2006-2007 (CSM 09-4206-I-20).
- Redwoods Community College district claimed costs associated with providing physicals for employees during fiscal years 2002-2003 through 2006-2007 (CSM 09-4206-I-26).

The above community college districts' reimbursement claims are remanded back to the Controller to determine the portion of the total costs claimed that are attributable to physicals for employees. The costs for physicals for employees should be reinstated.

The Commission also concluded that the Controller correctly reduced all other costs incurred during all other fiscal years claimed by Citrus Community College District, Cerritos Community College District, Los Rios Community College District, Redwoods Community College District, Allan Hancock Joint Community College District, Rancho Santiago Community College District, and Pasadena Area Community College District for the *Health Fee Elimination* program by the amount of health service fees that the districts were authorized to charge.

Please see the statement of decision. Please contact Heidi Palchik at (916) 323-8218 if you have any questions.

Sincerely,



Nancy Patton
Acting Executive Director