

SEQUOIA UNION HIGH SCHOOL DISTRICT

Audit Report

NOTIFICATION OF TRUANCY PROGRAM

Chapter 498, Statutes of 1983; Chapter 1023,
Statutes of 1994; Chapter 19, Statutes of 1995; and
Chapter 69, Statutes of 2007

July 1, 2006, through June 30, 2009



JOHN CHIANG
California State Controller

May 2012



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California State Controller

May 23, 2012

Alan Sarver, President
Board of Trustees
Sequoia Union High School District
480 James Avenue
Redwood City, CA 94062

Dear Mr. Sarver:

The State Controller's Office audited the costs claimed by the Sequoia Union High School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2006, through June 30, 2009.

The district claimed \$744,374 (\$755,564 less a \$11,190 penalty for filing late claims) for the mandated program. Our audit disclosed that \$167,088 is allowable and \$577,286 is unallowable. The costs are unallowable because the district claimed unsupported and non-reimbursable initial truancy notifications. The State paid the district \$23,589. The State will pay allowable costs claimed that exceed the amount paid, totaling \$143,499, contingent upon available appropriations.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/bf

cc: James Lianides, Ed.D., Superintendent
Sequoia Union High School District
Enrique Navas, Assistant Superintendent
Administrative Services
Sequoia Union High School District
Martin Fuentes, Controller
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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the Sequoia Union High School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2006, through June 30, 2009.

The district claimed \$744,374 (\$755,564 less a \$11,190 penalty for filing late claims) for the mandated program. Our audit disclosed that \$167,088 is allowable and \$577,286 is unallowable. The costs are unallowable because the district claimed unsupported and non-reimbursable initial truancy notifications. The State paid the district \$23,589. The State will pay allowable costs claimed that exceed the amount paid, totaling \$143,499, contingent upon available appropriations.

Background

Education Code section 48260.5 (added by Chapter 498, Statutes of 1983) originally required school districts, upon a pupil's initial classification as a truant, to notify the pupil's parent or guardian by first-class mail or other reasonable means that: (1) the pupil is truant; (2) parents or guardians are obligated to compel the pupil's attendance at school; (3) parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution; (4) alternative educational programs are available in the district; and (5) they have the right to meet with appropriate school personnel to discuss solutions to the pupil's truancy.

Chapter 1023, Statutes of 1994, amended Education Code section 48260.5 to additionally require school districts to notify the pupil's parent or guardian that (1) the pupil may be subject to prosecution; (2) the pupil may be subject to suspension, restriction, or delay of the pupil's driving privilege; and (3) it is recommended that the parent or guardian accompany the pupil to school and attend classes with the pupil for one day.

Chapter 1023, Statutes of 1994, and Chapter 19, Statutes of 1995, amended Education Code section 48260 and renumbered it to section 48260, subdivision (a), stating that a pupil is truant when he or she is absent from school without valid excuse three full days in one school year or is tardy or absent for more than any 30-minute period during the school day without a valid excuse on three occasions in one school year, or any combination thereof.

On November 29, 1984, the State Board of Control (now the Commission on State Mandates [CSM]) determined that Chapter 498, Statutes of 1983, imposed a state mandate upon school districts reimbursable under Government Code section 17561.

The parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted parameters and guidelines on August 27, 1987. The CSM subsequently amended the parameters and guidelines four times, most recently on May 27, 2010. In compliance

with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and schools districts in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Notification of Truancy Program for the period of July 1, 2006, through June 30, 2009.

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

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

Conclusion

Our audit 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 Sequoia Union High School District claimed \$744,374 (\$755,564 less a \$11,190 penalty for filing late claims) for costs of the Notification of Truancy Program. Our audit disclosed that \$167,088 is allowable and \$577,286 is unallowable. The State paid the district \$23,589. The State will pay allowable costs claimed that exceed the amount paid, totaling \$143,499, contingent upon available appropriations.

Views of Responsible Officials

We discussed our audit results with the district's representatives during an exit conference conducted on May 3, 2012. Enrique Navas, Assistant Superintendent, Administrative Services; Ken Bazan, Manager, Information Services; and Betty Anthes, Accountant-Auditor, Administrative Services agreed with the audit results. The district declined a draft audit report and agreed that we could issue the audit report as final.

Restricted Use

This report is solely for the information and use of the Sequoia Union High School District, the San Mateo County Office of Education, the California Department of Education, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

May 23, 2012

Schedule 1— Summary of Program Costs July 1, 2006, through June 30, 2009

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2006, through June 30, 2007</u>				
Number of initial truancy notifications	22,744	3,646	(19,098)	Findings 1, 2
Uniform cost allowance	× \$16.15	× \$16.15	× \$16.15	
Subtotal	\$ 367,316	\$ 58,883	\$ (308,433)	
Less late filing penalty	(10,000)	(10,000)	—	
Total program costs	<u>\$ 357,316</u>	48,883	<u>\$ (308,433)</u>	
Less amount paid by State		(9,501)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 39,382</u>		
<u>July 1, 2007, through June 30, 2008</u>				
Number of initial truancy notifications	18,803	3,499	(15,304)	Findings 1, 2
Uniform cost allowance	× \$17.28	× \$17.28	× \$17.28	
Total program costs	<u>\$ 324,916</u>	\$ 60,463	<u>\$ (264,453)</u>	
Less amount paid by the State		(7)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 60,456</u>		
<u>July 1, 2008, through June 30, 2009</u>				
Number of initial truancy notifications	3,570	3,322	(248)	Findings 2
Uniform cost allowance	× \$17.74	× \$17.74	× \$17.74	
Subtotal	\$ 63,332	\$ 58,932	\$ (4,400)	
Less late filing penalty	(1,190)	(1,190)	—	
Total program costs	<u>\$ 62,142</u>	57,742	<u>\$ (4,400)</u>	
Less amount paid by the State		(14,081)		
Total direct and indirect costs		<u>\$ 43,661</u>		
<u>Summary: July 1, 2006, through June 30, 2009</u>				
Total costs	\$ 755,564	\$ 178,278	\$ (577,286)	
Less late filing penalty	(11,190)	(11,190)	—	
Total program costs	<u>\$ 744,374</u>	167,088	<u>\$ (577,286)</u>	
Less amount paid by the State		(23,589)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 143,499</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Unallowable initial truancy notifications

The district claimed unallowable costs totaling \$563,418. The costs are unallowable because the district overstated the number of allowable initial truancy notifications distributed.

For fiscal year (FY) 2006-07 and FY 2007-08, the district provided a list of students for whom it distributed initial truancy notifications. The number of notifications documented did not agree with the number of notifications claimed.

In addition, each list included unallowable notifications. For some students, the district distributed more than one notification (duplicate notifications) to the students' parents/guardians during the school year. A student's initial truancy notification is the only notification eligible for mandated program reimbursement.

The following table summarizes the audit adjustment:

	Fiscal Year		Total
	2006-07	2007-08	
Number of notifications documented	3,884	3,879	
Less number of notifications claimed	<u>(22,744)</u>	<u>(18,803)</u>	
Overstated number of notifications	(18,860)	(14,924)	
Uniform cost allowance	× \$16.15	× \$17.28	
Audit adjustment	<u>\$ (304,589)</u>	<u>\$ (257,887)</u>	\$ (562,476)
Duplicate notifications	(23)	(33)	
Uniform cost allowance	<u>\$16.15</u>	<u>\$17.28</u>	
Audit adjustment	<u>\$ (372)</u>	<u>\$ (570)</u>	<u>(942)</u>
Total audit adjustment ¹	<u><u>\$ (304,961)</u></u>	<u><u>\$ (258,457)</u></u>	<u><u>\$ (563,418)</u></u>

¹ Calculation differences due to rounding.

The program's parameters and guidelines instruct claimants to claim mandate-related costs as follows:

Report the number of initial notifications of truancy distributed during the year. Do not include in that count the number of notifications or other contacts which may result from the initial notification to the parent or guardian.

The parameters and guidelines also require claimants to maintain documentation that supports the total number of initial truancy notifications distributed.

Recommendation

We recommend that the district claim the number of allowable initial truancy notification letters that its records support. We also recommend that the district claim only one initial truancy notification per truant student for each school year.

**FINDING 2—
Non-reimbursable
initial truancy
notifications**

The district claimed non-reimbursable initial truancy notifications totaling \$13,868. The district claimed notifications for students who did not accumulate the required number of unexcused absences or tardiness occurrences to be classified as truant under the mandated program.

For each fiscal year, we selected a statistical sample of initial truancy notifications based on a 95% confidence level, a precision rate of +/-8%, and an expected error rate of 50%. We used statistical samples so that we could project the sample results to the population.

Some initial truancy notifications claimed were non-reimbursable for the following reasons:

- Students accumulated fewer than three unexcused absences or tardiness occurrences while between ages 6 and 18.
- Students accumulated fewer than three total unexcused absences or tardiness occurrences during the school year.

The following table summarizes the non-reimbursable initial truancy notifications:

	Fiscal Year		
	2006-07	2007-08	2008-09
Number of unexcused absences and tardiness occurrences accumulated during the school year:			
Fewer than three while between ages 6 and 18	(7)	(7)	(7)
Fewer than three total	(1)	(6)	(3)
Unallowable initial truancy notifications	<u>(8)</u>	<u>(13)</u>	<u>(10)</u>

The following table summarizes the audit adjustment based on the unallowable initial truancy notifications identified:

	Fiscal Year			Total
	2006-07	2007-08	2008-09	
Number of unallowable initial truancy notifications from statistical sample	(8)	(13)	(10)	
Statistical sample size	÷ 144	÷ 144	÷ 144	
Unallowable percentage	(5.56)%	(9.03)%	(6.94)%	
Population sampled	× 3,861	× 3,846	× 3,570	
Extrapolated number of unallowable initial truancy notifications	(215)	(347)	(248)	
Uniform cost allowance	× \$16.15	× \$17.28	× \$17.74	
Audit adjustment	<u>\$ (3,472)</u>	<u>\$ (5,996)</u>	<u>\$ (4,400)</u>	<u>\$ (13,868)</u>

Education Code section 48260, subdivision (a), as amended in 1994 states:

Any pupil subject to compulsory full-time education or to compulsory continuation education [emphasis added] who is absent from school without valid excuse three full days in one school year or tardy or

absent for more than any 30-minute period during the schoolday [*sic*] without a valid excuse on three occasions in one school year, or any combination thereof, is a truant. . . .

Education Code section 48200 states that children between ages 6 and 18 are subject to compulsory full-time education. Therefore, student absences that occur before the student's 6th birthday or after the student's 18th birthday are not relevant when determining whether a student is a truant.

The parameters and guidelines state:

A truancy occurs when a student is absent from school without valid excuse three (3) full days in one school year, or is tardy or absent without valid excuse for more than any thirty (30)-minute period during the school day on three (3) occasions in one school year, or any combination thereof.

Recommendation

We recommend that the district claim initial truancy notifications only for those students who meet the truancy definition provided in the parameters and guidelines.

FINDING 3— Noncompliance with Education Code section 48260.5

The district disclosed that Redwood High School does not generate initial truancy notifications. The district did not claim any costs related to Redwood High School; therefore, there is no audit adjustment. However, the district did not comply with the Education Code.

Redwood High School is a continuation high school within the district. The district office issues initial truancy notification letters for Carlmont High School, Menlo-Atherton High School, Sequoia High School, and Woodside High School. However, Redwood High School is responsible for issuing notifications applicable to its own students.

The district reported to the California Department of Education that Redwood High School did have truant students during the audit period. A Redwood High School representative acknowledged that the school does not issue initial truancy notifications. The school issues only academic evaluation letters and a copy of the student's attendance record during six reporting periods throughout the school year. The academic evaluation letters are not initial truancy notifications.

Education Code section 48260.5 (effective during the audit period) states that upon a pupil's initial classification as a truant, the school district shall notify the pupil's parent or guardian, by first-class mail or other reasonable means, of the following:

1. The pupil is truant.
2. The parent or guardian is obligated to compel the attendance of the pupil at school.

3. Parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution pursuant to Article 6 (commencing with Education Code section 48290) of Chapter 2 of Part 27.
4. Alternative educational programs are available in the district.
5. The parent or guardian has the right to meet with appropriate school personnel to discuss solutions to the pupil's truancy.
6. The pupil may be subject to prosecution under Education Code section 48264.
7. The pupil may be subject to suspension, restriction, or delay of the pupil's driving privileges pursuant to Vehicle Code section 13202.7.
8. It is recommended that the parent or guardian accompany the pupil to school and attend classes with the pupil for one day.

Recommendation

We recommend that the district comply with Education Code section 48260.5 for all students who attend the district's schools.

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