

# **VICTOR ELEMENTARY 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, 2008, through June 30, 2011*



**JOHN CHIANG**  
California State Controller

August 2013



**JOHN CHIANG**  
**California State Controller**

August 28, 2013

Gabriel Stine, D.C., President  
Board of Trustees  
Victor Elementary School District  
15579 8<sup>th</sup> Street  
Victorville, CA 92395

Dear Dr. Stine:

The State Controller's Office audited the costs claimed by the Victor Elementary 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, 2008, through June 30, 2011.

The district claimed \$385,455 for the mandated program. Our audit found that \$336,737 is allowable and \$48,718 is unallowable. The costs are unallowable because the district claimed unsupported and non-reimbursable initial truancy notifications. The State paid the district \$49,049. The State will pay allowable costs claimed that exceed the amount paid, totaling \$287,688, contingent upon available appropriations.

If you disagree with the audit finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at [www.csm.ca.gov/docs/IRCForm.pdf](http://www.csm.ca.gov/docs/IRCForm.pdf).

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

Sincerely,

*Original signed by*

**JEFFREY V. BROWNFIELD, CPA**  
Chief, Division of Audits

JVB/kw

cc: Jan Gonzales, Superintendent  
Victor Elementary School District  
Debbie Betts, Assistant Superintendent, Administrative Services  
Victor Elementary School District  
Jackie Jauregui, Interim Director, Fiscal Services  
Victor Elementary School District  
Beth Erickson, Director of Purchasing  
Victor Elementary School District  
Bette Harrison, President  
San Bernardino County Board of Education  
Scott Hannan, Director  
School Fiscal Services Division  
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Thomas Todd, Assistant Program Budget Manager  
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Jay Lal, Manager  
Division of Accounting and Reporting  
State Controller's Office

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by the Victor Elementary 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, 2008, through June 30, 2011.

The district claimed \$385,455 for the mandated program. Our audit found that \$336,737 is allowable and \$48,718 is unallowable. The costs are unallowable because the district claimed unsupported and non-reimbursable initial truancy notifications. The State paid the district \$49,049. The State will pay allowable costs claimed that exceed the amount paid, totaling \$287,688, 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, 2008, through June 30, 2011.

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

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

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

## **Conclusion**

Our audit found instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Finding and Recommendation section of this report.

For the audit period, the Victor Elementary School District claimed \$385,455 for costs of the Notification of Truancy Program. Our audit found that \$336,737 is allowable and \$48,718 is unallowable. The State paid the district \$49,049. The State will pay allowable costs claimed that exceed the amount paid, totaling \$287,688, contingent upon available appropriations.

## **Views of Responsible Officials**

We issued a draft audit report on July 19, 2013. We contacted Debbie Betts, Assistant Superintendent, Administrative Services; and Beth Erickson, Director, Fiscal Services, by email on August 8, 2013, and August 14, 2013. Ms. Betts and Ms. Erickson did not respond to our requests for a written response to the draft audit report.

**Restricted Use**

This report is solely for the information and use of the Victor Elementary School District, the San Bernardino 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, CPA  
Chief, Division of Audits

August 28, 2013

**Schedule 1—  
Summary of Program Costs  
July 1, 2008, through June 30, 2011**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment <sup>1</sup>
<u>July 1, 2008, through June 30, 2009</u>			
Number of initial truancy notifications	4,884	7,055	2,171
Uniform cost allowance	× \$17.74	× \$17.74	× \$17.74
Subtotal	\$ 86,642	\$ 125,156	\$ 38,514
Less allowable costs that exceed costs claimed <sup>2</sup>	—	(38,514)	(38,514)
Total program costs	<u>\$ 86,642</u>	86,642	<u>\$ —</u>
Less amount paid by the State		(19,632)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 67,010</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Number of initial truancy notifications	8,381	7,101	(1,280)
Uniform cost allowance	× \$17.87	× \$17.87	× \$17.87
Total program costs <sup>3</sup>	<u>\$ 149,768</u>	\$ 126,894	<u>\$ (22,874)</u>
Less amount paid by the State		(29,417)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 97,477</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Number of initial truancy notifications	8,149	6,736	(1,413)
Uniform cost allowance	× \$18.29	× \$18.29	× \$18.29
Total program costs	<u>\$ 149,045</u>	\$ 123,201	<u>\$ (25,844)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 123,201</u>	
<u>Summary: July 1, 2008, through June 30, 2011</u>			
Subtotal of program costs	\$ 385,455	\$ 375,251	\$ (10,204)
Less allowable costs that exceed costs claimed	—	(38,514)	(38,514)
Total program costs	<u>\$ 385,455</u>	336,737	<u>\$ (48,718)</u>
Less amount paid by the State		(49,049)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 287,688</u>	

<sup>1</sup> See the Finding and Recommendation section.

<sup>2</sup> Government Code section 17568 stipulates that the State will not reimburse any claim more than one year after the filing deadline specified in the SCO's claiming instructions. That deadline has expired for FY 2008-09.

<sup>3</sup> Calculation differences due to rounding.

# Finding and Recommendation

**FINDING—  
Understated and  
overstated initial  
truancy notifications  
claimed**

The district understated or overstated allowable costs for each fiscal year. For the audit period, the district overstated claimed costs by \$10,204. The costs were understated or overstated due to the following reasons:

- For each fiscal year, the district provided lists identifying those students for whom the district distributed initial truancy notifications. The number of notifications documented on the student lists did not support the number of initial truancy notifications claimed for each fiscal year. The student lists indicated that the district either understated or overstated the number of notifications claimed during each fiscal year.
- The number of initial truancy notifications documented included notifications distributed for students who attended charter schools. Charter school activities are not eligible for mandated program reimbursement.
- The number of initial truancy notifications documented included notifications distributed for independent study students. Independent study students are evaluated for compliance with their individual independent study agreements. They do not attend a normal class schedule and thus are not evaluated for normal school attendance tardiness or daily absences unless/until they return to a regular classroom schedule. Therefore, the initial truancy notification process is not applicable to independent study students.
- The student lists showed that for some students, the district distributed more than one notification 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
	2008-09	2009-10	2010-11	
Number of initial truancy notifications documented	7,319	7,345	7,141	
Less number of initial truancy notifications claimed	<u>(4,884)</u>	<u>(8,381)</u>	<u>(8,149)</u>	
Understated/(overstated) number of initial truancy notifications	2,435	(1,036)	(1,008)	
Uniform cost allowance	<u>× \$17.74</u>	<u>× \$17.87</u>	<u>× \$18.29</u>	
Unallowable costs	<u>\$ 43,197</u>	<u>\$ (18,513)</u>	<u>\$ (18,436)</u>	\$ 6,248
Number of charter school initial truancy notifications	(64)	(58)	(96)	
Uniform cost allowance	<u>× \$17.74</u>	<u>× \$17.87</u>	<u>× \$18.29</u>	
Unallowable costs	<u>\$ (1,135)</u>	<u>\$ (1,037)</u>	<u>\$ (1,756)</u>	(3,928)
Number of independent study initial truancy notifications	(72)	(44)	(169)	
Uniform cost allowance	<u>× \$17.74</u>	<u>× \$17.87</u>	<u>× \$18.29</u>	
Unallowable costs	<u>\$ (1,277)</u>	<u>\$ (786)</u>	<u>\$ (3,091)</u>	(5,154)
Duplicate truancy notifications	(128)	(142)	(140)	
Uniform cost allowance	<u>× \$17.74</u>	<u>× \$17.87</u>	<u>× \$18.29</u>	
Unallowable costs	<u>\$ (2,271)</u>	<u>\$ (2,538)</u>	<u>\$ (2,561)</u>	(7,370)
Audit adjustment	<u>\$ 38,514</u>	<u>\$ (22,874)</u>	<u>\$ (25,844)</u>	<u>\$ (10,204)</u>

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.

In addition, Government Code section 17519 defines a “school district” as any school district, community college district, or county superintendent of schools. This definition does not include charter schools. As a result, charter school activities are not eligible for reimbursement under Government Code section 17560.

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 exclude from this count those letters that it distributes for charter school and independent study students, and duplicate notifications that it distributes for the same student during the school year.

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