

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Audit Report

HABITUAL TRUANT PROGRAM

Chapter 1184, Statutes of 1975;
Chapter 1010, Statutes of 1976; and
Chapter 1023, Statutes of 1994

July 1, 1999, through June 30, 2002



STEVE WESTLY
California State Controller

June 2006



STEVE WESTLY
California State Controller

June 15, 2006

Cynthia M. LeBlanc, Ed.D.
Interim Superintendent
West Contra Costa Unified School District
1108 Bissell Avenue
Richmond, CA 94801-3135

Dear Dr. LeBlanc:

The State Controller's Office audited the claims filed by West Contra Costa Unified School District for costs of the legislatively mandated Habitual Truant Program (Chapter 1184, Statutes of 1975; Chapter 1010, Statutes of 1976; and Chapter 1023, Statutes of 1994) for the period of July 1, 1999, through June 30, 2002.

The district claimed and was paid \$697,851 for the mandated program. Our audit disclosed that \$61,511 is allowable and \$636,340 is unallowable. The unallowable costs occurred primarily because the district claimed costs that were not supported with adequate documentation or were not related to the mandated program. The district should return \$636,340 to the State.

For the unsupported time claimed, we allowed the district to track actual time for an entire year by activity, student, and employee position, and to apply the results to the audit period if it can support the number of activities occurring during the audit period and can support that the time spent during the one year is reflective of the time spent during the audit period. However, the district has not provided any additional documentation. We will revise the final report if the results of such work affect the finding.

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,

Original Signed By:

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/vb

cc: Ruth A. Vedovelli

Assistant Superintendent of Fiscal Services
West Contra Costa Unified School District

Bryan C. Richards

Director of Capital Projects
West Contra Costa Unified School District

Joseph A. Ovick, Ed.D.

County Superintendent of Schools
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Audit Report

Summary

The State Controller's Office (SCO) audited the claims filed by West Contra Costa Unified School District for costs of the legislatively mandated Habitual Truant Program (Chapter 1184, Statutes of 1975; Chapter 1010, Statutes of 1976; and Chapter 1023, Statutes of 1994) for the period of July 1, 1999, through June 30, 2002. The last day of fieldwork was December 8, 2004.

The district claimed and was paid \$697,851 for the mandated program. Our audit disclosed that \$61,511 is allowable and \$636,340 is unallowable. The unallowable costs occurred primarily because the district claimed costs that were not supported with adequate documentation or were not related to the mandated program. The district should return \$636,340 to the State.

Background

Chapter 1184, Statutes of 1975; Chapter 1010, Statutes of 1976; and Chapter 1023, Statutes of 1994, added *Education Code* Sections 12403, 48262, and 48264.5. The law defines "habitual truant" and states that no pupil shall be deemed as a habitual truant unless school districts make a "conscientious effort" to hold at least one conference with the pupil's parent or guardian and the pupil. The law also requires school districts to classify a pupil as a habitual truant as defined in *Education Code* Section 48262 upon the pupil's fourth truancy within the same school year.

On September 25, 1997, the Commission on State Mandates (COSM) determined the above legislation imposed a state mandate reimbursable under *Government Code* Section 17561.

Parameters and Guidelines establishes the state mandate and defines reimbursement criteria. COSM adopted *Parameters and Guidelines* on January 29, 1998. In compliance with *Government Code* Section 17558, the SCO issues claiming instructions for mandated programs 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 Habitual Truant Program for the period of July 1, 1999, through June 30, 2002.

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* Sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. Our scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance concerning the allowability of expenditures claimed 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 unsupported time claimed, we provided the district an alternative: to track actual time for an entire year by activity, student, and employee position. The district must support the number of activities occurring during the audit period and support that the time spent during the one year is reflective of the time spent during the audit period. However, the district has not provided any additional documentation.

For the audit period, West Contra Costa Unified School District claimed and was paid \$697,851 for Habitual Truant Program costs. Our audit disclosed that \$61,511 is allowable and \$636,340 is unallowable.

For fiscal year (FY) 1999-2000, the State paid the district \$387,265. The audit disclosed that \$16,708 is allowable and \$370,557 is unallowable. The district should return \$370,557 paid to the State.

For FY 2000-01, the State paid the district \$213,119. The audit disclosed that \$10,995 is allowable and \$202,124 is unallowable. The district should return \$202,124 to the State.

For FY 2001-02, the State paid the district \$97,467. The audit disclosed that \$33,808 is allowable and \$63,659 is unallowable. The district should return \$63,659 to the State.

Views of Responsible Official

We issued a draft audit report on February 4, 2005. Bryan C. Richards, Director, Fiscal Services, Capital Projects, responded by letter dated March 29, 2005, disagreeing with the audit results in Finding 1. We delayed the issuance of this report pending legal clarification of an issue that the district raised in its draft report response. This final audit report includes the district's response.

Restricted Use

This report is solely for the information and use of West Contra Costa Unified School District, the Contra Costa 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

**Schedule 1—
Summary of Program Costs
July 1, 1999, through June 30, 2002**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference ¹
<u>July 1, 1999, through June 30, 2000</u>				
Salaries and benefits	\$ 359,639	\$ 15,511	\$ (344,128)	Finding 1
Materials and supplies	5	5	—	
Total direct costs	359,644	15,516	(344,128)	
Indirect costs	27,621	1,192	(26,429)	Finding 1
Total program costs	<u>\$ 387,265</u>	16,708	<u>\$ (370,557)</u>	
Less amount paid by the State		(387,265)		
Allowable costs claimed in excess of (less than) amount paid			<u>\$ (370,557)</u>	
<u>July 1, 2000, through June 30, 2001</u>				
Salaries and benefits	\$ 201,817	\$ 10,412	\$ (191,405)	Finding 1
Materials and supplies	—	—	—	
Total direct costs	201,817	10,412	(191,405)	
Indirect costs	11,302	583	(10,719)	Finding 1
Total program costs	<u>\$ 213,119</u>	10,995	<u>\$ (202,124)</u>	
Less amount paid by the State		(213,119)		
Allowable costs claimed in excess of (less than) amount paid			<u>\$ (202,124)</u>	
<u>July 1, 2001, through June 30, 2002</u>				
Salaries and benefits	\$ 91,569	\$ 31,818	\$ (59,751)	Finding 1
Materials and supplies	572	143	(429)	Finding 2
Total direct costs	92,141	31,961	(60,180)	
Indirect costs	5,326	1,847	(3,479)	Findings 1, 2
Total program costs	<u>\$ 97,467</u>	33,808	<u>\$ (63,659)</u>	
Less amount paid by the State		(97,467)		
Allowable costs claimed in excess of (less than) amount paid			<u>\$ (63,659)</u>	
<u>Summary: July 1, 1999, through June 30, 2002</u>				
Salaries and benefits	\$ 653,025	\$ 57,741	\$ (595,284)	Finding 1
Materials and supplies	577	148	(429)	Finding 2
Total direct costs	653,602	57,889	(595,713)	
Indirect costs	44,249	3,622	(40,627)	Findings 1, 2
Total program costs	<u>\$ 697,851</u>	61,511	<u>\$ (636,340)</u>	
Less amount paid by the State		(697,851)		
Allowable costs claimed in excess of (less than) amount paid			<u>\$ (636,340)</u>	

¹ See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Unallowable salaries and related benefits

The district claimed unallowable salary and benefit costs totaling \$595,284 for the audit period. The related indirect cost is \$40,602. Salary and benefit costs claimed were not supported by adequate source documentation. Costs claimed are unallowable for the following reasons.

1. The district claimed \$534,592 based on employee declarations. Employee log sheets identified only total time spent per reimbursable component for each fiscal year. The log sheets do not identify the specific date(s) when employees performed mandated activities and do not represent contemporaneous records. One employee's log sheet identified specific dates, but identified the time of day the employee performed mandated activities, rather than amount of time spent performing mandated activities. The district provided additional documentation to support the employee declarations. However, the additional documentation either duplicated previous documentation or did not provide evidence of mandate-related time or activities.
2. In fiscal year (FY) 1999-2000, the district claimed salary and benefit costs totaling \$52,961 for seven employees' mandate-related time. The district did not provide any supporting documentation for the time claimed.
3. For FY 2001-02, the district claimed salary and benefit costs totaling \$3,381 that were not related to the Habitual Truant Program. The district's documentation shows the costs are related to "Initial Notice of Truancy."
4. Hours reported on employee time logs support only a portion of hours claimed for various employees. Unallowable costs total \$2,653.
5. In FY 2000-01, the district claimed \$1,697 for one employee's mandate-related salary and benefit costs; however, the employee's total salary and benefit costs were fully funded by the SB65 Pupil Motivation—Outreach categorical program.

Although we accepted the remaining salary and benefit costs claimed, substantive audit tests disclosed that the district's recordkeeping system is inadequate to ensure that the district claims only habitual truant mandated activities. The district provided various reports from its electronic attendance reporting system (SASi) to verify that students identified on employee time logs were habitual truant students. However, SASi reports showed that various students identified on employee time logs were not habitual truant students at the time employees recorded the mandate-related activities of sending truancy notices, scheduling parent conferences, and holding parent conferences.

In addition, various manual student attendance rosters did not support SASi reports. Manual attendance rosters documented absences as excused, while SASi reports identified the same absences as unverified, and thus unexcused. Therefore, SASi reports do not provide an accurate count of unexcused student absences.

Parameters and Guidelines requires that districts identify the actual number of hours devoted to each mandated activity. Districts may claim the average number of hours devoted to each activity if supported by a documented time study, completed contemporaneously.

In addition, *Parameters and Guidelines* states that reimbursement received for this mandated program from any source (e.g., service fees collected, federal funds, other state funds, etc.) shall be identified and deducted from the claim.

Recommendation

We recommend that the district maintain adequate documentation to support costs claimed. The district should maintain contemporaneous time records that identify the actual hours devoted to each mandate activity. Alternatively, the district may track actual time for one year by activity, student, and employee position and extrapolate the results to subsequent fiscal years according to the SCO's time study guidelines. In addition, the district should ensure that both its SASi system and manual attendance rosters support students' habitual truant status at the time employees perform mandate-related activities. Furthermore, the district should identify and deduct from costs claimed any offsetting revenues received.

District's Response

The district believes that the documentation it provided is sufficient to support costs claimed. The Attachment contains the complete text of the district's response regarding source documentation. Following is an excerpt from the district's response.

In an effort to resolve this matter at the earliest stage, the District proposes to meet with SCO to share additional records discussed below, as well as to discuss revision of the Draft Audit and/or preparation of a time study which might allay some or all of SCO's concerns.

Pending these discussions, the District does not believe that issuance of any Final Audit Report on this matter would be appropriate. In this regard, we note that SCO has not provided the District with access to the audit workpapers in this matter. As a result, the District has not been able to gain a comprehensive understanding of the specific SCO determinations which underly [sic] the Draft Audit Report. The District, therefore, renews its request for a full copy of the audit workpapers. . . .

The District additionally responds as follows: . . .

1. The employee declarations and log sheets meet the requirements of the Parameters and Guidelines by including a tally and report of the total number of students and/or contacts made and the length of time for each. Many schools where costs were disallowed . . . also provided a list of specific students for whom contact was made.
2. Logsheets for the seven employees referred to are missing from the files reviewed by the auditors. We are attempting to locate the missing logsheets.

3. A district employee did mistakenly use the Habitual Truant claim forms to record time and costs related to the Initial Notice of Truancy mandate. . . .
4. A single sheet of backup from Ohlone School appears to be missing from the file reviewed by the auditors. It includes 16 students whose last names begin with letters A-J. We are attempting to locate the missing page. We note that the first page in the information reviewed by the auditors of the employee's time is labeled 'page 2'. With regard to the 2001/2002 claim from Helms, we have manually added up the number of minutes claimed by the employee and it foots to the total of the allowed plus the disallowed minutes in the summary sheet provided by the auditors. The disallowance appears to be in error. We find the same with regard to an employee at Richmond High for the same year.
5. The district concurs that to the extent a salary was paid by SB 65, the time would not be claimable under the mandate.
6. An employee referenced the incorrect year on certain lines of her logsheets. The month and date of the services are correct and the year is in error. . . .

SCO's Comment

We revised the audit finding to allow additional salary and benefit costs totaling \$398 and related indirect costs totaling \$23. We also revised the finding terminology to identify the district's records as "employee certifications" rather than "employee declarations." The remainder of our finding and recommendation remains unchanged.

The district believes that the SCO has required a level of documentation "not supported by existing law." The district contends that "employee certifications, along with time-nonspecific documentation indicating that the components of the Mandate have been satisfied, comprise lawful methods of establish [*sic*] that the components of the Mandate took place, as well as the amount of the reimbursement."

The California Constitution, Article XVI, Section 7, provides that "[m]oney may be drawn from the Treasury only . . . upon a Controller's duly drawn warrant." In the case of *Flournoy v. Priest*¹, the California Supreme Court stated that the "obvious purpose of this requirement is to insure the Controller's concurrence in the expenditure of state funds." In an Attorney General's Opinion on point, the Attorney General stated that "[i]n short, the Controller has the constitutional authority to audit claims filed against the Treasury. . . ."²

¹ *Flournoy v. Priest* (1971) 5 Cal.3d 350.

² AUDIT AUTHORITY OF STATE CONTROLLER, Opinion No. 87-1204 (1988) 71 Ops.Cal.Atty.Gen.275.

In addition, statutory law provides the SCO with general and specific audit authority. *Government Code* Section 12410 states, “The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment.” Furthermore, *Government Code* Section 17561(d)(2) allows the SCO to audit the district’s records to verify actual mandate-related costs and reduce any claim that the SCO determines is excessive or unreasonable.

In the aforementioned opinion, the Attorney General states that an audit “would ascertain that the claim is numerically correct, actually incurred by the appropriate person or entity for a lawful purpose, and that sufficient funds exist for payment from an appropriation made by law.” Black’s Law Dictionary states that an audit is a “formal examination of an individual’s or organization’s accounting records. . . .” The district’s attempt to substitute certifications for records subverts the intent and meaning of an audit.

The SCO concludes that valid source documents are documents created contemporaneously with the activity or event in question. This conclusion is consistent with court cases, such as *Maynard v. Commissioner of Internal Revenue*, in which the court stated that the auditee’s “records, some of which were prepared after the fact, were not adequately supported with contemporaneous source documents. . . .”³

Inaccuracies result when recollections are not reduced to writing contemporaneously. Such inaccuracy prevents the SCO from ascertaining the numerical correctness of the claim and whether or not the costs were actually incurred. The district claimed costs based on employee certifications that identified an amount of time per day, per week, or per student, and then multiplied those figures by the number of days, weeks, or students involved. This methodology is a clear indication that the district is not claiming “actual costs.” Furthermore, the audit finding notes that there is insufficient support for the number of students involved. Substantive audit tests disclosed that the district’s recordkeeping system is inadequate to ensure that the district claims only habitual truant mandated activities.

The district asserts that because *Parameters and Guidelines* allows for average times, there is no requirement to document actual costs by dates and time. However, *Parameters and Guidelines* actually proves just the opposite. *Parameters and Guidelines* requires districts to “specify the actual number of hours devoted to each function. . . . The average number of hours devoted to each function may be claimed **if supported by a documented time study.**” [Emphasis added.] The provision clearly infers that in the absence of a documented time study, only actual time (or costs) may be claimed.

³ *Maynard v. Commissioner of Internal Revenue* (1997) 114 Fed.3d 1194.

The district's response proposes the preparation of a time study. On February 22, 2005, we notified the district that a time study was not appropriate because available valid time logs showed that the amount of time charged per student varied significantly for each mandated activity. We provided the district an alternative: to track actual time for an entire year by activity, student, and employee position. The district must support the number of activities occurring during the audit period and that the time spent during the one year is reflective of the time spent during the audit period. However, the district has not provided any additional documentation. We will revise the final report if the results of such work affect the finding.

The district incorrectly states that the SCO "has not provided the District with access to the audit workpapers in this matter." During the exit conference conducted December 8, 2004, the SCO provided the district with detailed working papers that support the audit finding.

The following comments respond to the district's individually numbered comments.

1. As previously discussed, the district's certifications are not adequate source documentation. In addition, the district states that various schools provided a list of students for whom the district performed mandated activities. However, these lists further document that the district's records are inaccurate and insufficient. For example, the student list for Murphy Elementary School, FY 1999-2000, indicates that an employee performed mandated activities for two non-sibling students at the same time and date. The list also shows that the employee performed the same activity multiple times on different dates for various students.
2. The district did not provide any additional documentation for the seven employees referenced.
3. The district concurred that the costs claimed are not mandate-related.
4. The district did not provide any additional documentation related to Ohlone School. The district claimed 11.32 hours for employee Paula Geurts at Helms Middle School for FY 2001-02. The district provided documentation that supports only 5.24 hours (rounded). The unsupported hours are unallowable. The district claimed 53.75 hours for employee Manuel Sanchez at Richmond High School for FY 2001-02. Although the employee's time logs add to the total time claimed, the "agency logs" that support the time logs reflect only 45 hours. The unsupported hours are unallowable.
5. The district concurred with this audit finding.
6. We revised the audit report to allow costs claimed for this employee.

**FINDING 2—
Unallowable materials
and supplies**

The district claimed unallowable materials and supplies costs totaling \$429 for the audit period. The related indirect costs total \$25.

The district claimed \$429 in FY 2001-02 for costs not related to the Habitual Truant Program. *Parameters and Guidelines* states that districts may claim only those expenditures that can be identified as direct costs of the mandate.

Recommendation

We recommend that the district ensure costs claimed are applicable to the mandated program.

District's Response

The district concurred with the audit finding.

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



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

1108 Bissell Avenue
Richmond, CA 94801-3135
Telephone (510) 234-3825

Gloria L. Johnston, Ph.D.
Superintendent of Schools

Ruth A. Vedovelli
Assistant Superintendent, Fiscal Services

March 29, 2005

Mr. James Spano
Office of the State Controller
P. O. Box 942850
Sacramento, CA 94250

Dear Mr. Spano,

Attached please find the District's responses to the Habitual Truant Mandated Cost Audit for the fiscal years 1999/2000, 2000/2001 and 2001/2002.

If you have any questions about the District's responses, please advise us accordingly.

Very truly yours, ↘

A handwritten signature in black ink, appearing to read "Bryan C. Richards".

Bryan C. Richards
Director, Fiscal Services, Capital Projects

cc: Joshua Morrison, Esq.
Ruth Vedovelli, Associate Superintendent
Steve Van Zee, State Controller's Office

District Response to Draft Audit Report Issued February 4, 2005

The District recognizes that the Adopted Parameters and Guidelines ("Parameters and Guidelines") applicable to the Habitual Truant Mandate ("Mandate") indicate that "claimed costs should be supported by . . . the actual number of hours devoted to each function . . . [or] the average number of hours devoted to each function . . . if supported by a documented time study." (Parameters and Guidelines). Here, in accordance with these requirements, the District has documented the actual number of hours devoted to each function.

The District believes it is clear that the various components of the Mandate did, in fact, take place. In addition to the large quantity of documentation on this point, numerous District employees have certified as much, and the District does not understand SCO to disagree. While it, therefore, appears to be settled that the components of the Mandate took place, SCO apparently concludes that the Parameters and Guidelines impose some additional obligation, on the part of the District, to maintain records establishing the exact date and time on which individual activities (i.e. the components of the Mandate) were performed in relation to specific students.

The Parameters and Guidelines contain no requirement, however, that the various "mandated functions" must, themselves, be "documented" in the manner presently required by SCO. Thus, the Parameters and Guidelines impose no obligation on the District to document the exact time and date of each mandated function as a condition to compliance with the Mandate. After all, if the law required such exactitude, the "average" times authorized with regard to time studies would be rendered meaningless. For these reasons, the District contends that employee certifications, along with time-nonspecific documentation indicating that the components of the Mandate have been satisfied, comprise lawful methods of establish that the components of the Mandate took place, as well as the amount of the reimbursement.

In sum, the level of documentation required by SCO is not supported by existing law, which contains no requirement that the District generate data indicating exact dates and times on which the components of the Mandate were performed. California Courts of Appeal have held that audit criteria devised by state agencies, but not specifically authorized by statute or regulation, cannot be employed in conducting audits because they constitute "regulations" which have not been promulgated as required by the Administrative Procedure Act ("APA"). Government Code § 11340 et seq; *Grier v. Kizer* (1990) 219 Cal.App.3d 422 [28 Cal.Rptr. 244]. As such, SCO erred in imposing this heightened level of documentation, and the District, therefore, objects to SCO's Audit Finding.

In an effort to resolve this matter at the earliest stage, the District proposes to meet with SCO to share additional records discussed below, as well as to discuss revision of the Draft Audit and/or preparation of a time study which might allay some or all of SCO's concerns.

Pending these discussions, the District does not believe that issuance of any Final Audit Report on this matter would be appropriate. In this regard, we note that SCO has not provided the District with access to the audit workpapers in this matter. As a result, the District has not been able to gain a comprehensive understanding of the specific SCO determinations which underly the Draft Audit Report. The District, therefore, renews its request for a full copy of the audit

workpapers, and a further opportunity to respond, well in advance of issuance of any Final Audit Report.

The District additionally responds as follows:

Additional District Response to Finding 1

The District disagrees with the majority of Finding 1 for at least the reasons set forth below. Please note that the District reserves the right to provide other or different information at a later date.

1. The employee declarations and log sheets meet the requirements of the Parameters and Guidelines by including a tally and report of the total number of students and/or contacts made and the length of time for each. Many schools where costs were disallowed, including Murphy and De Anza in 1999/2000; North Campus, Murphy and Coronado in 2000/01; and North Campus, Kennedy, Coronado, Helms and Collins in 2001/02, also provided a list of specific students for whom contact was made.
2. Logsheets for the seven employees referred to are missing from the files reviewed by the auditors. We are attempting to locate the missing logsheets.
3. A district employee did mistakenly use the Habitual Truant claim forms to record time and costs related to the Initial Notice of Truancy mandate. As the Initial Notice of Truancy is a per item reimbursement, the District will verify that the notices sent from this school were included in the District totals and, if necessary, amend the Initial Notice of Truancy claim to add the costs to the correct claim.
4. A single sheet of backup from Ohlone School appears to be missing from the file reviewed by the auditors. It includes 16 students whose last names begin with letters A-J. We are attempting to locate the missing page. We note that the first page in the information reviewed by the auditors of the employee's time is labeled 'page 2'. With regard to the 2001/2002 claim from Helms, we have manually added up the number of minutes claimed by the employee and it foots to the total of the allowed plus the disallowed minutes in the summary sheet provided by the auditors. The disallowance appears to be in error. We find the same with regard to an employee at Richmond High for the same year.
5. The district concurs that to the extent a salary was paid by SB 65, the time would not be claimable under the mandate.
6. An employee referenced the incorrect year on certain lines of her logsheets. The month and date of the services are correct and the year is in error. The costs indicated are for fiscal year 2001/02 not 2002/03. For example, one date noted is November 29, 2002. In 2002, this was the day after Thanksgiving, and the District was closed. The correct date is clearly November 29, 2001, on which the District was open for business.

Additional District Response to Finding 2

The District concurs with this finding. A district employee did mistakenly use the Habitual Truant claim forms to record time and costs related to the Initial Notice of Truancy mandate. As the Initial Notice of Truancy is a per item reimbursement, the District will verify that the notices sent from this school were included in the District totals and, if necessary, amend the Initial Notice of Truancy claim to add the costs to the correct claim.

**State Controller's Office
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