

GRANT JOINT UNION HIGH SCHOOL DISTRICT

Audit Report

NOTIFICATION TO TEACHERS: PUPILS SUBJECT TO SUSPENSION OR EXPULSION PROGRAM

Chapter 1306, Statutes of 1989,
and Chapter 1257, Statutes of 1993

July 1, 2000, through June 30, 2001



STEVE WESTLY
California State Controller

May 2005



STEVE WESTLY
California State Controller

May 6, 2005

Larry M. Buchanan, Ed.D.
Superintendent
Grant Joint Union High School District
1333 Grand Avenue
Sacramento, CA 95838

Dear Dr. Buchanan:

The State Controller's Office audited the claim filed by Grant Joint Union High School District for costs of the legislatively mandated Notification to Teachers: Pupils Subject to Suspension or Expulsion Program (Chapter 1306, Statutes of 1989, and Chapter 1257, Statutes of 1993) for the period of July 1, 2000, through June 30, 2001.

The district claimed \$284,984 for the mandated program. Our audit disclosed that the entire amount is unallowable, because the district claimed unsupported costs. The State paid the district \$24,154, which the district should return.

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), and 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:

VINCENT P. BROWN
Chief Operating Officer

VPB:JVB/ams

cc: (see page 2)

cc: Bruce Mangerich
Deputy Superintendent
Business and Finance Division
Grant Joint Union High School District
Tracy Shackleton, Director
Business and Finance Division
Grant Joint Union High School District
David W. Gordon, County Superintendent of Schools
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Audit Report

Summary

The State Controller's Office (SCO) audited the claim filed by the Grant Joint Union High School District for costs of the legislatively mandated Notification to Teachers: Pupils Subject to Suspension or Expulsion Program (Chapter 1306, Statutes of 1989, and Chapter 1257, Statutes of 1993) for the period of July 1, 2000, through June 30, 2001. The last day of fieldwork was December 13, 2004.

The district claimed \$284,984 for the mandated program. Our audit disclosed that the entire amount is unallowable, because the district claimed unsupported costs. The State paid the district \$24,154. The district should return the total amount to the State.

Background

Education Code Section 49079 (added and amended by Chapter 1306, Statutes of 1989, and Chapter 1257, Statutes of 1993) requires school districts to inform the teacher of each student who has engaged in, or is reasonably suspected to have engaged in, any of the acts specified in *Education Code* Sections 48900 (excluding subdivision (h)), 48900.2, 48900.3, 48900.4, and 48900.7, that the student has engaged in, or is reasonably suspected to have engaged in, those acts. The notification is to be based on any written records the district maintains or receives from a law enforcement agency. No district is liable for failure to comply if the district makes a good faith effort to notify the teacher. Notifications were to commence in the 1990-91 school year using data from the previous year, with a progression to three prior years of data to be reported by fiscal year (FY) 1992-93.

On January 19, 1995, the Commission on State Mandates (COSM) determined this 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 July 20, 1995. In compliance with *Government Code* Section 17558, the SCO issues claiming instructions for mandated programs, to assist local agencies and 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 Notification to Teachers: Pupils Subject to Suspension or Expulsion Program for the period of July 1, 2000, through June 30, 2001.

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.

We asked the district's representative to submit a written representation letter regarding the district's accounting procedures, financial records, and mandated cost claiming procedures as recommended by *Government Auditing Standards*. However, the district declined our request.

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 FY 2000-01, the Grant Joint Union High School District claimed \$284,984 for Notification to Teachers: Pupils Subject to Suspension or Expulsion Program costs. The State paid the district \$24,154. Our audit disclosed that the entire amount is unallowable. The district should return the total amount paid to the State.

Views of Responsible Official

We issued a draft audit report on February 4, 2005. Bruce Mangerich, Deputy Superintendent, Business and Finance Division, responded by letter dated March 21, 2005 (Attachment), disagreeing with the audit results. This final audit report includes the district's response.

Restricted Use

This report is solely for the information and use of the Grant Joint Union High School District, the Sacramento 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, 2000, through June 30, 2001**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference ¹
Salaries and benefits	\$ 261,557	\$ —	\$ (261,557)	Finding 1
Services and supplies	618	—	(618)	Finding 2
Total direct costs	262,175	—	(262,175)	
Indirect costs	22,809	—	(22,809)	Findings 1, 2
Total program costs	<u>\$ 284,984</u>	—	<u>\$ (284,984)</u>	
Less amount paid by the State		<u>(24,154)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (24,154)</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Unsupported salary, benefit, and related indirect costs

The district claimed unallowable salary and benefit costs totaling \$261,557 for the audit period. The related indirect cost is \$22,755.

The district claimed primarily the salary and benefit costs of principals and vice principals, based on declarations prepared after the end of fiscal year (FY) 2000-01. Principals and vice principals reported time spent on mandated activities by using an average time per suspended student. However, the district did not provide a time study to support the average times used.

In addition, the district's documented procedures for mandate-related activities show that (1) principals and vice principals do not directly perform the mandate-related activities, and (2) the district's procedures do not lend themselves to time study documentation. The district provided a memo addressed to all principals dated August 30, 2000, that discusses the mandated program. The memo states, "Teachers are to be given the option of reviewing student information from school suspension lists and expulsion lists covering the last three years." The memo includes a Teacher Notification Form and also states, "Principals are responsible for collecting and filing this form with each teacher's signature/date and principal's designee signature/date." Thus, the district's procedures do not identify a repetitive task performed for each individual suspended or expelled student.

Parameters and Guidelines requires that "All costs claimed must be traceable to source documents and/or worksheets that show evidence of the validity of such costs." Districts must support claimed salary and benefit costs with records that specify the actual time devoted to each function. Districts may claim the average number of hours devoted to each function if supported by a documented time study.

Recommendation

We recommend the district maintain source documents which support the actual time that employees spend to perform mandate-related activities.

District's Response

Simply put, the District engaged in the mandated activities for this program. This fact is evident by the log sheets that the appropriate staff person prepared and submitted for reimbursement. While your office may deem the supporting documentation inadequate, the point remains that District staff engaged in mandated activities and, as such, the District is entitled to reimbursement. Clearly, the central issue for the State Controller is whether the District can support the costs claimed.

Under "Finding 1-Unsupported salary, benefit, and related indirect costs," the Report states: "[] the District did not provide a time study to support the average times used." Finding 1 also includes the following statement: "[] the District's procedures do not identify a repetitive task performed for each individual suspended or expelled student." The

basis for this statement is the District's August 30, 2000 memorandum issued to all teachers. It is the District's position that the memo is unrelated to the statement that "the District's procedures do not identify a repetitive task performed for each individual suspended or expelled student." The purpose of the memorandum was to inform teachers that they had the opportunity to inspect student records if they wish. The ability of teachers to inspect records on their own accord says nothing of the *required and mandatory* activities the administrative staff at each school site performs to ensure compliance with the *Notification to Teachers* program.

In response to Finding 1, the District has prepared the attached time study plan so that it can accurately gauge the time spent on the two reimbursable activities outlined in the parameters and guidelines and your office's claiming instructions. . . . There may be some doubt as to the accuracy of applying current time spent on the reimbursable activities to the District's 2000-01 claim and the District shares that doubt. The reason why the District feels the outcome of this time study may be in doubt is due to the fact the District has gotten better and more efficient at performing the mandated activities. Therefore, any result from this time study will be in the state's favor as current procedures, practices, and experience have greatly reduced the time necessary to perform this mandate. . . .

While the attached time study plan provides more detail, the District proposes to survey each administrative staff person performing the mandated activities at each school site. Each employee shall complete a log for every notification, which will include the actual time spent on the notification. . . . District staff is currently sifting through all applicable student records to identify those pupils that were subject to suspension or expulsion during the 2000-01 school year. Once the district has identified the number of students and prepared a matrix to support its findings, the District will submit its final costs to your office for the 2000-01 *Notification to Teachers* program based on the time study.

SCO's Comment

The finding and recommendation are unchanged. As stated in the finding, the declarations (which the district refers to as log sheets in its response) do not provide evidence that the district engaged in the mandated activities.

The district states that it issued its August 30, 2000, memorandum (memo) to all teachers. The district also states that the memo does not support our statement that the district's procedures do not identify a repetitive task performed for each individual suspended or expelled student. However, the memo is addressed to principals, vice principals, and counselors, not teachers. On July 13, 2004, we asked the district to provide documentation that shows it performed the mandated activities. In response, the district's representative provided the memo and stated that the memo is evidence that the district performed the mandated activity. The district representative also confirmed that the district provided the memo to principals and vice principals. The memo states that school sites will make a student list available for teachers' review; it does not identify a repetitive task performed for each suspended or expelled student.

In addition, the district's proposed time study plan is not appropriate to determine actual costs for FY 2000-01. The district states that there may be doubt as to the accuracy of applying current time spent on reimbursable activities to the district's FY 2000-01 claim. We concur. In its attached time study plan, the district identified procedures for performing mandated activities that differ from mandated procedures during the audit period. The district's proposed time study indicates that both the school sites and the district office perform the mandated activity of identifying students. However, during our audit fieldwork, the district's representative stated that only the district office identified students during the audit period.

Furthermore, the district's proposed time study indicates that school administrators contact each applicable teacher when the district identifies a suspended or expelled student. The district also states that it is currently reviewing its records to identify all students suspended or expelled during the audit period, to calculate teacher notification costs by applying an average time per student. However, the district's August 30, 2000, memo states only that school administrators will make a list of students available for teachers' review. The memo does not specify that school administrators will separately contact each applicable teacher. During our audit fieldwork, the district's representative indicated that the memo describes the district's procedure for notifying teachers during the audit period. Therefore, an average time calculated from current procedures and applied to students suspended and expelled during the audit period is not representative of the procedures and time spent during the audit period.

**FINDING 2—
Unsupported services
and supplies costs**

The district claimed unallowable services and supplies costs totaling \$618. The related indirect cost is \$54.

The district claimed photocopy costs for notifying teachers of pupils subject to suspension or expulsion. However, the district did not provide documentation to substantiate that the district made photocopies or incurred the costs claimed.

Parameters and Guidelines states that the district may claim only services and supplies expenditures that can be identified as direct costs of the mandated program.

Recommendation

We recommend the district maintain source documentation that supports mandate-related services and supplies costs claimed for reimbursement.

District's Response

... the District, while disputing the conclusion in Finding 2, has no additional information or supporting documentation to provide your office.

SCO's Comment

The finding and recommendation remain unchanged.

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

GRANT
JOINT
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HIGH
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BUSINESS SERVICES & FINANCE

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...rising like the Phoenix

"A New Education
for a New Economy"

March 21, 2005

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

RE: Response to Draft Audit Report and Time Study Plan

Dear Mr. Spano:

The State Controller's Draft Audit Report ("Report") issued for the District's *Notification to Teachers: Pupils Subject to Suspension or Expulsion* mandate claim must be amended before your office issues its Final Audit Report. Simply put, the District engaged in the mandated activities for this program. This fact is evident by the log sheets that the appropriate staff person prepared and submitted for reimbursement. While your office may deem the supporting documentation inadequate, the point remains that District staff engaged in mandated activities and, as such, the District is entitled to reimbursement. Clearly, the central issue for the State Controller is whether the District can support the costs claimed.

Under "Finding 1-Unsupported salary, benefit, and related indirect costs," the Report states: "[] the District did not provide a time study to support the average times used." Finding 1 also includes the following statement: "[] the District's procedures do not identify a repetitive task performed for each individual suspended or expelled student." The basis for this statement is the District's August 30, 2000 memorandum issued to all teachers. It is the District's position that this memo is unrelated to the statement that "the District's procedures do not identify a repetitive task performed for each individual suspended or expelled student." The purpose of the memorandum was to inform teachers that they had the opportunity to inspect student records if they wish. The ability of teachers to inspect records on their own accord says nothing of the *required and mandatory* activities the administrative staff at each school site performs to ensure compliance with the *Notification to Teachers* program.

In response to Finding 1, the District has prepared the attached time study plan so that it can accurately gauge the time spent on the two reimbursable activities outlined in the parameters and guidelines and your office's claiming instructions. The purpose of proposing a time study is so that the District may provide the necessary documentation and support for costs claimed because of the study. There may be some doubt as to the accuracy of applying current time spent on the reimbursable activities to the District's 2000-01 claim and the District shares that doubt. The reason why the District feels the outcome of this time study may be in doubt is due to the fact the District has gotten better and more efficient at performing the mandated activities. Therefore, any result from this time study will be in the state's favor as current procedures, practices, and experience have greatly reduced the time necessary to perform this mandate. However, the District accepts the fact that such a result is unavoidable to support any claimed costs under the *Notification to Teachers* program.

While the attached time study plan provides more detail, the District proposes to survey each administrative staff person performing the mandated activities at each school site. Each employee shall complete a log for every notification,

which will include the actual time spent on the notification. An average of the total time spent for two months month will be the basis for the time study. In fact, the District is in the process of finishing this study and needs additional time to identify the student pool to apply the final average. District staff is currently sifting through all applicable student records to identify those pupils that were subject to suspension or expulsion during the 2000-01 school year. Once the District has identified the number of students and prepared a matrix to support its findings, the District will submit its final costs to your office for the 2000-01 *Notification to Teachers* program based on the time study.

It will take the District additional time to finalize its review and cataloging of the 2000-01 student records. As such, the District requests that your office postpone issuance of its Final Audit Report until all data are in your possession. We anticipate that District staff can complete their review by the end of April. The District hopes your office accepts this approach and attempt at finding a middle ground to solve the dispute over the claimed costs. We find that, in the end, permitting a time study as outlined in this letter and the attached time study plan will meet both the State and District's needs in this matter. Finally, the District, while disputing the conclusion in Finding 2, has no additional information or supporting documentation to provide your office.

If you have any questions or concerns regarding this letter or the attached time study plan, please feel free to contact me at (916) 286-4881.

Sincerely,



Bruce Mangerich
Deputy Superintendent

BM:bg

Enclosure: Time Study Plan

cc: David E. Scribner, President
Scribner Consulting Group, Inc.



TIME STUDY PLAN GRANT JOINT UNION HIGH SCHOOL DISTRICT

NOTIFICATION TO TEACHERS: PUPILS SUBJECT TO SUSPENSION OR EXPULSION

I. **Time Period Studied**

02/01/05 – 03/31/05

II. **Activities and/or Programs Studied**

- a. Identification of pupils from records received from law enforcement agencies and otherwise maintained in the ordinary course of business, who have during the past three years engaged in or are reasonably suspected to have engaged in acts described in Education Code section 48900 except subdivision (h).
- b. Notifying teachers on a regular and timely basis of pupils whose behavior makes them subject to suspension and expulsion and maintaining the confidentiality of the dissemination of this information.

III. **Process Used to Accomplish Each Reimbursable Activity**

- a. **Identification of pupils from records received from law enforcement agencies and otherwise maintained in the ordinary course of business, who have during the past three years engaged in or are reasonably suspected to have engaged in acts described in Education Code section 48900 except subdivision (h).**

The Grant Joint Union High School District identifies pupils who have engaged in Education Code 48900 by various means. The processes can be broken into two categories: site generated and district generated. The information generated at the school site is:

1. Suspension reports
2. Expulsion recommendations
3. Information received through the normal course of business, e.g., student reputed to be a gang member.

If an administrator finds that the site-generated information meets the Education Code requirements for notification, the administrator notifies the teachers who have the student in their class.

The information generated at the district is:

1. Involuntary Transfers from another district school
2. Juvenile Court Notices
3. Expelled Students from another School District

District generated information is automatically included into the District's "Violent Student Notification" list and faxed to the school of residence when received. The administrator then notifies the teachers who have the student in their class.

b. **Notifying teachers on regular and timely basis of the pupils whose behavior makes them subject to suspension and expulsion and maintaining the confidentiality of the dissemination of this information.**

When a school administrator receives information during the normal course of business that administrator notifies the teachers they deem appropriate to receive the violent student notification. The information typically comes from six possible sources:

1. Suspension reports (site based);
2. Expulsions (site based);
3. Information received through the normal course of business (site based);
4. Involuntary transfers (district based);
5. Juvenile court notices (district based); or
6. Expelled students from another school district (district based).

The time survey period will denote the amount of time it takes the administrator to disseminate this information. The notification process is as follows:

1. Once a student is identified from one of the six sources listed above, the administrator deems that a notification is appropriate and pulls the student's class schedule on the School's Aeries Student Attendance program.
2. The administrator then contacts each teacher of the identified student that the student has engaged in activities that make the student subject to suspension and expulsion.

IV. **Employee Universe**

The time study includes those administrators responsible for identification and notification activities. The attached table provides the name, title, salary, benefits, contract hours, total annual compensation, and productive hourly rate for each identified employee.

V. **Employee Sample Selection Methodology**

The time study only uses those administrators responsible for identification and notification activities. Since the information regarding student activities comes to one centralized location at each school site, identification of responsible administrative staff for the mandated activities is provided in the attached table. No sample selection methodology is necessary as GJUHSD is identifying responsible staff members and tracking their actual time over a one-month period.

VI. Time Increments Recorded

The time study will use actual time spent on each activity by the appropriate administrative staff. Each staff member engaging in the activities listed in Section II will complete an activity log at the time they perform the activities noting the total time to perform the mandate and signing under penalty of perjury that the log is true and correct.

**State Controller's Office
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<http://www.sco.ca.gov>