

ANTELOPE VALLEY UNION HIGH SCHOOL DISTRICT

Audit Report

CALIFORNIA ASSESSMENT OF STUDENT PERFORMANCE AND PROGRESS PROGRAM

Chapter 489, Statutes of 2013;
and Chapter 32, Statutes of 2014

July 1, 2013, through June 30, 2017



BETTY T. YEE
California State Controller

April 2022



BETTY T. YEE
California State Controller

April 6, 2022

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Gregory Nehen, Superintendent
Antelope Valley Union High School District
44811 North Sierra Highway
Lancaster, CA 93534

Dear Mr. Nehen:

The State Controller's Office audited the costs claimed by Antelope Valley Union High School District for the legislatively mandated California Assessment of Student Performance and Progress Program for the period of July 1, 2013, through June 30, 2017.

The district claimed \$1,018,338 for costs of the mandated program. Our audit found that none of the claimed costs are allowable because the district claimed reimbursement for unsupported costs. The State made no payments to the district.

Following issuance of this audit report, the Local Government Programs and Services Division of the State Controller's Office will notify the district of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

If you have questions, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

KT/lis

cc: Brian Hawkins, Assistant Superintendent
Business Services
Antelope Valley Union High School District
Donita Winn, President, Board of Trustees
Antelope Valley Union High School District
Octavio Castelo, Director
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Contents

Audit Report

Summary	1
Background	1
Audit Authority.....	3
Objective, Scope, and Methodology	3
Conclusion	4
Follow-up on Prior Audit Findings.....	4
Views of Responsible Officials.....	4
Restricted Use	4
Schedule—Summary of Program Costs	5
Findings and Recommendations.....	8

Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Antelope Valley Union High School District for the legislatively mandated California Assessment of Student Performance and Progress (CAASPP) Program for the period of July 1, 2013, through June 30, 2017.

The district claimed \$1,018,338 for costs of the mandated program. Our audit found that none of the claimed costs are allowable because the district claimed reimbursement for unsupported costs. The State made no payments to the district.

Background

California Education Code Section 60640, as amended by the Statutes of 2013, Chapter 489 (Assembly Bill 484) and the Statutes of 2014, Chapter 32 (Senate Bill 858); and Title 5, California Code of Regulations, sections 850, 852, 853, 853.5, 857, 861(b)(5), and 864, as added or amended by Register 2014, Numbers. 6, 30, and 35, established the CAASPP Program and replaced the Standardized Testing and Reporting Program, effective January 1, 2014. The CAASPP Program requires school districts to transition from paper and pencil multiple-choice tests to computer-based tests.

On January 22, 2016, the Commission on State Mandates (Commission) adopted a decision finding that the test claim statutes and regulations impose a reimbursable state-mandated program upon school districts within the meaning of Article XIII B, Section 6 of the California Constitution and Government Code (GC) section 17514.

The Commission adopted the parameters and guidelines on March 25, 2016. The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with GC section 17558, the SCO issues claiming instructions to assist school districts in claiming mandated program reimbursable costs.

The Commission found that the following activities are reimbursable:

- Beginning January 1, 2014, provide "a computing device, the use of an assessment technology platform, and the adaptive engine" to administer the CAASPP assessments to all pupils via computer, which includes the acquisition of and ongoing compliance with minimum technology requirements.
- Beginning February 3, 2014, the local educational agency (LEA) CAASPP coordinator shall be responsible for assessment technology, and shall ensure current and ongoing compliance with minimum technology specifications as identified by the CAASPP contractor(s) or consortium.
- Beginning February 3, 2014, notify parents or guardians each year of their pupil's participation in the CAASPP assessment system, including notification that notwithstanding any other provision of law, a parent's or guardian's written request to excuse his or her child from any or all parts of the CAASPP assessments shall be granted.

- Beginning February 3, 2014, score and transmit the CAASPP tests in accordance with manuals or other instructions provided by the contractor or the California Department of Education (CDE).
- Beginning February 3, 2014, identify pupils unable to access the computer-based version of the CAASPP tests; and report to the CAASPP contractor the number of pupils unable to access the computer-based version of the test.
- Beginning February 3, 2014, report to CDE if a pupil in grade 2 was administered a diagnostic assessment in language arts and mathematics that is aligned to the common core academic content standards pursuant to Education Code section 60644.
- Beginning February 3, 2014, comply with any and all requests from CAASPP contractors, and abide by any and all instructions provided by the CAASPP contractor or consortium, whether written or oral, that are provided for training or provided for in the administration of a CAASPP test.
- Beginning August 27, 2014, the CAASPP test site coordinator shall be responsible for ensuring that all designated supports, accommodations and individualized aids are entered into the registration system.

The Commission found that the following state and federal funds must be identified as offsetting revenues and deducted from reimbursement claims:

- Statutes 2013, chapter 48 (\$1.25 billion in Common Core implementation funding), *if* used by a school district on any of the reimbursable CAASPP activities to support the administration of computer-based assessments.
- Funding apportioned by SBE [the State Board of Education] from Statutes 2014, chapter 25, Line Item 6110-113-0001, schedule (8), for fiscal year 2013-2014 CAASPP costs.
- Funding apportioned by SBE from Statutes 2015, chapter 10, Line Item 6110-113-0001, schedule (7) for fiscal year 2014-2015 CAASPP costs.
- Statutes 2014, chapter 25 (Line Item 6110-488) and chapter 32 (appropriation for outstanding mandate claims) *if* used by a school district on any of the reimbursable CAASPP activities.
- Statutes 2014, chapter 25, Line Item 6110-182-0001, Provision 2 (appropriation “to support network connectivity infrastructure grants”) *if* used by a school district on any of the reimbursable CAASPP activities.

In addition to identifying and deducting offsetting revenues from these funds, the Commission also requires:

Any other offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other applicable state funds, shall be identified and deducted from any claim submitted for reimbursement.

Audit Authority

We conducted this performance audit in accordance with GC sections 17558.5 and 17561, which authorize the SCO to audit the district's records to verify the actual amount of the mandated costs. In addition, GC section 12410 provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law.

Objective, Scope, and Methodology

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated CAASPP Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.¹

The audit period was July 1, 2013, through June 30, 2017.

To achieve our objective, we performed the following procedures:

- We reviewed the annual mandated cost claims filed by the district for the audit period and identified the significant cost components of each claim as salaries and benefits, and materials and supplies. We determined whether there were any errors or any unusual or unexpected variances from year to year. We reviewed the activities claimed to determine whether they adhered to the SCO's claiming instructions and the program's parameters and guidelines.
- We completed an internal control questionnaire by interviewing key district staff, and discussed the claim preparation process with district staff to determine what information was obtained, who obtained it, and how it was used.
- We requested, but did not receive, supporting documentation related to claimed salaries and benefits. We found that the claimed salaries and benefits costs were unsupported (see Finding 1).
- We requested, but did not receive, supporting documentation related to claimed fixed assets. We found that the district claimed unsupported fixed assets (see Finding 2).

We conducted this performance 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We did not audit the district's financial statements.

¹Unreasonable and/or excessive costs include ineligible costs that are not identified in the program's parameters and guidelines as reimbursable costs.

Conclusion

As a result of performing the audit procedures, we found that the district did not comply with the requirements described in our audit objective. We found that the district claimed unsupported costs, as quantified in the Schedule and described in the Findings and Recommendations section of this audit report. To the extent that the district claimed costs not supported by appropriate source documents, such costs are also unreasonable and/or excessive. In addition, we did not confirm if the district claimed costs that were funded by other sources because all of the claimed costs were found to be unsupported.

For the audit period, Antelope Valley Union High School District claimed \$1,018,338 for costs of the legislatively mandated CAASPP Program. Our audit found that none of the claimed costs are allowable. The State made no payments to the district.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the district of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

**Follow-up on
Prior Audit
Findings**

We have not previously conducted an audit of the district's legislatively mandated CAASPP Program.

**Views of
Responsible
Officials**

We issued a draft audit report on February 16, 2022. We contacted Gregory Nehen, Superintendent, by email on February 28, 2022, to ask whether the district planned on responding to the draft report. Mr. Nehen replied by email and stated, "The District has no response to the draft report."

Restricted Use

This audit report is solely for the information and use of Antelope Valley Union High School District, the Los Angeles 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 audit report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

April 6, 2022

Schedule—

Summary of Program Costs

July 1, 2013, through June 30, 2017

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2013, through June 30, 2014</u>				
Direct costs:				
Salaries and benefits				
Assess technology	\$ 4,765	\$ -	\$ (4,765)	
Notify parents or guardians	476	-	(476)	
Review supplemental videos and Webcasts	2,707	-	(2,707)	
Read and view CAASPP materials	1,173	-	(1,173)	
Total salaries and benefits	9,121	-	(9,121)	Finding 1
Total direct costs	9,121	-	(9,121)	
Indirect costs	429	-	(429)	Finding 1
Total direct and indirect costs	9,550	-	(9,550)	
Total program costs	<u>\$ 9,550</u>	-	<u>\$ (9,550)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2014, through June 30, 2015</u>				
Direct costs:				
Salaries and benefits				
Assess technology	\$ 4,944	\$ -	\$ (4,944)	
Notify parents or guardians	465	-	(465)	
Score and transmit CAASPP tests	15,994	-	(15,994)	
Review supplemental videos and Webcasts	2,707	-	(2,707)	
Read and view CAASPP materials	1,173	-	(1,173)	
Enter designated supports and accommodations in registration system	1,662	-	(1,662)	
Total salaries and benefits	26,945	-	(26,945)	Finding 1
Fixed Assets				
Internet service, network equipment, consultants, or engineers	773,189	-	(773,189)	
Total fixed assets	773,189	-	(773,189)	Finding 2
Total direct costs	800,134	-	(800,134)	
Indirect costs	1,245	-	(1,245)	Finding 1
Total direct and indirect costs	801,379	-	(801,379)	
Less offsetting revenues and reimbursements	(28,114)	-	28,114	
Total program costs	<u>\$ 773,265</u>	-	<u>\$ (773,265)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2015, through June 30, 2016</u>				
Direct costs:				
Salaries and benefits				
Assess technology	\$ 5,267	\$ -	\$ (5,267)	
Notify parents or guardians	475	-	(475)	
Score and transmit CAASPP tests	17,062	-	(17,062)	
Review supplemental videos and Webcasts	4,526	-	(4,526)	
Read and view CAASPP materials	2,079	-	(2,079)	
Enter designated supports and accommodations in registration system	1,697	-	(1,697)	
Total salaries and benefits	<u>31,106</u>	<u>-</u>	<u>(31,106)</u>	Finding 1
Fixed Assets				
Internet service, network equipment, consultants, or engineers	219,866	-	(219,866)	
Total fixed assets	<u>219,866</u>	<u>-</u>	<u>(219,866)</u>	Finding 2
Total direct costs	250,972	-	(250,972)	
Indirect costs	<u>1,502</u>	<u>-</u>	<u>(1,502)</u>	Finding 1
Total direct and indirect costs	252,474	-	(252,474)	
Less offsetting revenues and reimbursements	<u>(28,114)</u>	<u>-</u>	<u>28,114</u>	
Total program costs	<u>\$ 224,360</u>	<u>-</u>	<u>\$ (224,360)</u>	
Less amount paid by the State ²		<u>-</u>		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2016, through June 30, 2017</u>				
Direct costs:				
Salaries and benefits				
Assess technology	\$ 5,513	\$ -	\$ (5,513)	
Notify parents or guardians	498	-	(498)	
Score and transmit CAASPP tests	22,959	-	(22,959)	
Review supplemental videos and Webcasts	4,679	-	(4,679)	
Read and view CAASPP materials	2,149	-	(2,149)	
Enter designated supports and accommodations in registration system	1,780	-	(1,780)	
Total salaries and benefits	<u>37,578</u>	<u>-</u>	<u>(37,578)</u>	Finding 1
Total direct costs	37,578	-	(37,578)	
Indirect costs	<u>1,699</u>	<u>-</u>	<u>(1,699)</u>	Finding 1
Total direct and indirect costs	39,277	-	(39,277)	
Less offsetting revenues and reimbursements	<u>(28,114)</u>	<u>-</u>	<u>28,114</u>	
Total program costs	<u>\$ 11,163</u>	<u>-</u>	<u>\$ (11,163)</u>	
Less amount paid by the State ²		<u>-</u>		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>Summary: July 1, 2013, through June 30, 2017</u>				
Direct costs:				
Salaries and benefits				
Assess technology	20,489	\$ -	(20,489)	
Notify parents or guardians	1,914	-	(1,914)	
Score and transmit CAASPP tests	56,015	-	(56,015)	
Review supplemental videos and Webcasts	14,619	-	(14,619)	
Read and view CAASPP materials	6,574	-	(6,574)	
Enter designated supports and accommodations in registration system	5,139	-	(5,139)	
Total salaries and benefits	<u>104,750</u>	<u>-</u>	<u>(104,750)</u>	Finding 1
Fixed Assets				
Internet service, network equipment, consultants, or engineers	993,055	-	(993,055)	
Total fixed assets	<u>993,055</u>	<u>-</u>	<u>(993,055)</u>	Finding 2
Total direct costs	1,097,805	-	(1,097,805)	
Indirect costs	<u>4,875</u>	<u>-</u>	<u>(4,875)</u>	Finding 1
Total direct and indirect costs	1,102,680	-	(1,102,680)	
Less offsetting revenues and reimbursements	<u>(84,342)</u>	<u>-</u>	<u>84,342</u>	
Total program costs	<u>\$ 1,018,338</u>	<u>-</u>	<u>\$ (1,018,338)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

¹ See the Findings and Recommendations section.

² Payment amount current as of March 14, 2022.

Findings and Recommendations

**FINDING 1—
Unsupported salaries,
benefits, and related
indirect costs**

The district claimed \$104,750 in salaries and benefits for the audit period. We found that the entire amount is unallowable. The costs are unallowable because the district did not provide contemporaneous time documents to support the time and activities claimed as required by the program’s parameters and guidelines.

The district did not provide documentation to support the claimed salary and benefit costs within a reasonable timeframe by the agreed-upon deadline. As a result, we determined that claimed costs for salaries and benefits are unsupported. Unallowable related indirect costs total \$4,875, for a total finding of \$109,625.

The district claimed salary and benefit costs for six reimbursable activities:

- Assessing the current and ongoing compliance with minimum technology specifications as identified by the LEA CAASPP contractor(s) or consortium ;
- Notifying parents or guardians each year of their pupil’s participation in the CAASPP assessment system, including notifying them that, notwithstanding any other provision of law, a parent’s or guardian’s written request to excuse his or her child from any or all parts of the CAASPP assessments shall be granted;
- Scoring and transmitting CAASPP tests in accordance with manuals or other instructions provided by the contractor or the CDE;
- Participating in the training directed by the CAASPP contractor or consortium by reviewing the applicable supplemental videos and archived webcasts;
- Participating in the training directed by the CAASPP contractors or consortium by reading the CAASPP *Smarter Balanced Online Test Administration Manual*, the *Smarter Balanced Usability, Accessibility, and Accommodations Guidelines*, and the *Test Administrator Reference Guide*, and viewing the associated Smarter Balanced training modules; and
- Ensuring that all designated supports, accommodations, and individualized aids are entered into the registration system by the CAASPP test site coordinator.

The following table summarizes the audit adjustment related to salaries, benefits, and related indirect costs by fiscal year:

Fiscal Year	Salaries and Benefits			Claimed Indirect Cost Rate	Indirect Cost Adjustment	Total Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment			
2013-14	\$ 9,121	\$ -	\$ (9,121)	4.70%	\$ (429)	\$ (9,550)
2014-15	26,945	-	(26,945)	4.62%	(1,245)	(28,190)
2015-16	31,106	-	(31,106)	4.83%	(1,502)	(32,608)
2016-17	37,578	-	(37,578)	4.52%	(1,699)	(39,277)
	<u>\$ 104,750</u>	<u>\$ -</u>	<u>\$ (104,750)</u>		<u>\$ (4,875)</u>	<u>\$ (109,625)</u>

The following table summarizes the audit adjustment related to salaries and benefits by reimbursable activity:

Reimbursable Activity	Salaries and Benefits		
	Amount Claimed	Amount Allowable	Audit Adjustment
Assess technology	\$ 20,489	-	\$ (20,489)
Notify parents or guardians	1,914	-	(1,914)
Score and transmit CAASPP tests	56,015	-	(56,015)
Review supplemental videos and webcasts	14,619	-	(14,619)
Read and view CAASPP materials	6,574	-	(6,574)
Enter supports and accommodations into registration system	5,139	-	(5,139)
Total	\$ 104,750	\$ -	\$ (104,750)

Section IV, “Reimbursable Activities,” of the parameters and guidelines begins:

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system-generated), purchase orders, contracts, agenda, and declarations. Declarations must include a certification or declaration stating, “I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct,” and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

Recommendation

As of fiscal year 2017-18, the CAASPP Program is funded through a mandate block grant. The district elected to receive mandate block grant funding pursuant to GC section 17581.6, in lieu of filing annual mandated cost claims. If the district chooses to opt out of receiving mandate block grant funding, we recommend that the district:

- Follow the mandated program’s claiming instructions and parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs are supported by contemporaneous source documentation.

**FINDING 2—
Unsupported fixed
assets**

The district claimed \$993,055 in fixed assets for the audit period. We found that the entire amount is unallowable. The costs are unallowable because the district did not fulfill the reimbursement requirements outlined in the program’s parameters and guidelines.

The district claimed fixed asset costs for the reimbursable activity related to internet service, network equipment, and consultants or engineers. The district incurred these costs in order to expand its existing technology infrastructure. The district claimed these fixed asset costs because it misinterpreted the program’s parameters and guidelines requirement that it maintain documentation to show that its existing technology infrastructure was not sufficient to administer the CAASPP test to all eligible pupils within the testing window.

To support the claimed costs related to internet service, network equipment, and consultants or engineers, the district provided invoices, purchase orders, contracts, and requisition forms for various school sites for the audit period. We did not reconcile these records to the claimed costs, as the district did not provide supporting contemporaneous documentation to show why the additional technology infrastructure upgrades were needed to perform the mandated reimbursable activities.

The following table summarizes the audit adjustments related to fixed assets by fiscal year:

Fiscal Year	Contract Services		
	Amount Claimed	Amount Allowable	Audit Adjustment
2014-15	773,189	-	(773,189)
2015-16	219,866	-	(219,866)
	<u>\$ 993,055</u>	<u>\$ -</u>	<u>\$ (993,055)</u>

Section IV, “Reimbursable Activities,” of the parameters and guidelines states:

- A) Beginning January 1, 2014, provide “a computing device, the use of an assessment technology platform, and the adaptive engine” to administer the CAASPP assessments to all pupils via computer, which includes the acquisition of and ongoing compliance with minimum technology specifications, as identified by the CAASPP contractor(s) or consortium. Reimbursement for this activity includes the following:
 1. A sufficient number of desktop or laptop computers, iPads, or other tablet computers for which Smarter Balanced provides secure browser support in the academic year, along with a keyboard, headphones, and a pointing device for each, to administer the CAASPP to all eligible pupils within the testing window provided by CDE regulations.
 2. Broadband internet service providing at least 20 Kbps [kilobits per second] per pupil to be tested simultaneously, costs for acquisition and installation of wireless or wired network equipment, and hiring consultants or engineers to assist a district in completing and troubleshooting the installation.

Claimants shall maintain supporting documentation showing how their existing inventory of computing devices and accessories, technology infrastructure, and broadband internet service is not sufficient to administer the CAASPP test to all eligible pupils in the testing window, based on the minimum technical specifications identified by the contractor(s) or consortium.

Recommendation

As of fiscal year 2017-18, the CAASPP Program is funded through a mandate block grant. The district elected to receive mandate block grant funding pursuant to GC section 17581.6, in lieu of filing annual mandated cost claims. If the district chooses to opt out of receiving mandate block grant funding, we recommend that the district:

- Follow the mandated program's claiming instructions and parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs are supported by contemporaneous source documentation.

**State Controller's Office
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