

PITTSBURG UNIFIED SCHOOL DISTRICT

Final Audit Report

PROPOSITION 47 SAFE NEIGHBORHOODS AND SCHOOLS FUND GRANT EXPENDITURES

July 1, 2018, through December 31, 2021



MALIA M. COHEN

CALIFORNIA STATE CONTROLLER

May 2026



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MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

May 27, 2026

Ms. Taylor Sims, President
Board of Trustees
Pittsburg Unified School District
2000 Railroad Avenue
Pittsburg, CA 94565

Dear Ms. Sims:

The State Controller's Office conducted a performance audit of Pittsburg Unified School District's Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures for the period of July 1, 2018, through December 31, 2021.

If you have any questions regarding this report, please contact Roochel Espilla, Chief, State Agency Audits Bureau, by telephone at 916-323-5744. Thank you.

Sincerely,

Original signed by
Kimberly A. Tarvin, CPA
Chief, Division of Audits

Copy: De'Shawn Woolridge, Vice President
Board of Trustees
Pittsburg Unified School District

Ms. Taylor Sims

May 27, 2026

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SUMMARY

The State Controller's Office (SCO) conducted a performance audit of Pittsburg Unified School District's (PUSD) Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures for the period of July 1, 2018, through December 31, 2021. The purpose of the audit, as required by Government Code (GC) section 7599.2(c), was to determine whether Proposition 47 grant funds were disbursed and expended in accordance with program guidelines and grant requirements, and with applicable laws and regulations.

Our audit determined that during the audit period, the California Department of Education (CDE) awarded PUSD with \$1,521,045 in Proposition 47 grant funds. We also determined that PUSD expended \$1,506,391 in Proposition 47 grant funds (\$322,813 in fiscal year [FY] 2018-19, \$472,040 in FY 2019-20, and \$711,538 in FY 2020-21), and expended no Proposition 47 grant funds in FY 2021-22.

Our audit found instances in which PUSD did not disburse or expend Proposition 47 grant funds in accordance with program guidelines and grant requirements, or with applicable laws and regulations. Specifically, we found that PUSD claimed \$5,122 in disallowed salaries that were improperly charged to the Proposition 47 Grants Program and \$1,433,416 (comprised of \$908,458 in salaries, \$470,788 in associated benefits, and \$54,170 in related indirect costs) in unsupported costs.

BACKGROUND

Proposition 47 – Safe Neighborhoods and Schools Fund

On November 4, 2014, California voters approved Proposition 47, which reduces penalties for certain offenders convicted of non-serious and nonviolent property and drug crimes. It also allows some offenders to apply for reduced sentences. Proposition 47 established the Safe

Neighborhoods and Schools Fund, which is funded by savings that accrue to the State from implementation of the measure. This mandate is expected to save significant state corrections dollars annually.

Savings resulting from Proposition 47 are transferred from the General Fund to the Safe Neighborhoods and Schools Fund to be used in support of truancy reduction and drop-out prevention programs for public school pupils in kindergarten through grade 12, increase victim services grants, and support substance abuse and mental health treatment and diversion programs for people in the criminal justice system.

Pittsburg Unified School District

PUSD, located in Contra Costa County, operated 13 schools including eight elementary schools, three junior high schools, and two senior high schools during the grant period.

In FY 2018-19, CDE awarded PUSD with \$1,521,045 from the Proposition 47 Grants Program. The funding period was from July 1, 2018, through December 31, 2021.

PUSD used its grant to implement the Learning Communities for School Success Program (LCSSP), established by Assembly Bill 1014 (Statutes of 2016). LCSSP supports evidence-based, non-punitive education programs and practices to keep the most vulnerable students in school. All 13 PUSD schools received program services through LCSSP.

CDE's California Learning Communities for School Success Program: Program Support Grant Application and Guidelines (LCSSP Guidelines) prescribed the program requirements for Cohort 2 grants awarded between July 1, 2018, and June 30, 2021.

Due to the COVID-19 pandemic, CDE extended the Proposition 47 Grants Program's award end date from June 30, 2021, to December 31, 2021. The extension was communicated to the PUSD superintendent in February 2021.

AUDIT AUTHORITY

We conducted this audit in accordance with GC section 7599.2(c), which requires the SCO, every two years, to conduct an audit of the Proposition 47 Grants Program operated by CDE to ensure that “the funds are disbursed and expended solely according to this chapter” and to report its findings to the Legislature. 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 for payment.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our audit objective was to determine whether PUSD disbursed and expended the Proposition 47 grant funds in accordance with program guidelines and grant requirements, and with applicable laws and regulations. The audit period was July 1, 2018, through December 31, 2021.

To achieve our objective, we performed the following procedures:

- We identified the Proposition 47 Grants Program background, criteria, purpose, and requirements by reviewing GC sections 7599 through 7599.2, and the California Department of Finance fund classification and basis for the Safe Neighborhoods and Schools Fund.
- We reviewed PUSD’s Proposition 47 grant files, grant agreements, program guidelines and requirements, and invoices.
- We reviewed PUSD’s claimed Proposition 47 grant expenditures and performed analytical procedures and budgetary analyses to identify material cost components of each claim, any errors, and any unusual or unexpected variances.

- We interviewed PUSD’s key personnel; completed internal control questionnaires; obtained and reviewed documents and records, policies and procedures, guidelines, grant agreements, and grant processes; and traced transactions and activities through the system to gain an understanding of PUSD’s internal controls related to the Proposition 47 Grants Program; and we identified controls significant to our audit objective.

Our consideration of internal control was for the limited purpose described in the previous paragraph and determining the auditing procedures that were appropriate under the circumstances for the purpose of providing a conclusion based on our audit objective.

- We assessed the design and implementation of controls over PUSD’s processes for classified personnel salaries, non-instructional consultant costs, and indirect costs.
- We verified that, during the audit period, CDE awarded PUSD with \$1,521,045 in Proposition 47 grant funds. Of the awarded amount, \$1,521,045 was disbursed (\$507,015 in FY 2018-19, \$507,015 in FY 2019-20, and \$507,015 in FY 2020-21).
- We verified that PUSD expended a total of \$1,506,391 in Proposition 47 grant funds (\$322,813 in FY 2018-19, \$472,040 in FY 2019-20, \$711,538 in FY 2020-21), and expended no Proposition 47 grant funds in FY 2021-22.
- We selected a sample of transactions using judgmental (non-statistical) sampling and:
 - Traced the transactions to supporting documentation, and performed analytical procedures and budgetary analyses; and
 - Tested compliance with applicable laws, regulations, internal policies and procedures, and program requirements.

Our audit procedures included interviewing appropriate personnel and inspecting documents, records, and grant agreements.

We chose judgmental sampling because it allows us to achieve our objectives for tests of

compliance in an efficient and effective manner, and because we do not intend to project the results to the intended (total) population.

- We tested \$289,973 of \$1,506,391 in total claimed program costs as follows:
 - Classified personnel salaries – We tested \$228,188 (or 25 percent) of \$913,580;
 - Non-instructional consultant costs – We tested \$5,665 (or 10 percent) of \$59,491; and
 - Indirect costs – We tested all (or 100 percent) of \$56,120;
- We assessed the reliability of computer-processed data for Proposition 47 grant expenditures by interviewing PUSD officials knowledgeable about the data; reviewing existing information about the data and the system that produced it; and tracing data to source documents, based on judgmental sampling. We determined that the data was sufficiently reliable for the purposes of this report.

Our audit of the program was related solely to Proposition 47 grant expenditures, as required by GC section 7599.2(c). We limited our audit scope to planning and performing audit procedures necessary to achieve our audit objective. We did not examine the information-system controls or the economy, efficiency, or effectiveness of the program.

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 we obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

CONCLUSION

Our audit found instances in which PUSD did not disburse or expend Proposition 47 grant funds in accordance with program guidelines and grant requirements. Specifically, we found that PUSD claimed \$5,122 in disallowed salaries that were improperly charged to the Proposition 47 Grants Program and \$1,433,416 (comprised of \$908,458 in salaries, \$470,788 in associated benefits, and \$54,170 in related indirect costs) in unsupported costs. The costs are unsupported because PUSD did not require its program staff to maintain time accounting documentation or periodic certification associated with the salaries charged to the Proposition 47 Grants Program.

This instance of noncompliance is quantified in Schedules 1 and 2, and described in the Finding and Recommendation section.

FOLLOW-UP ON PRIOR AUDIT FINDINGS

We have not previously conducted an audit of PUSD's Proposition 47 grant expenditures.

VIEWS OF RESPONSIBLE OFFICIALS

We issued a draft audit report on June 30, 2025. PUSD's representative responded by email on July 3, 2025, agreeing with the audit results. An excerpt of PUSD's response and our comments are included in the Finding and Recommendation section.

RESTRICTED USE

This report is solely for the information and use of PUSD, CDE, 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 and is available on the SCO website at www.sco.ca.gov.

Original signed by
Kimberly A. Tarvin, CPA
Chief, Division of Audits

May 27, 2026

SCHEDULE 1—SUMMARY OF GRANT AWARD, AMOUNTS DISBURSED AND EXPENDED, AND AUDIT ADJUSTMENTS

July 1, 2018, through December 31, 2021

The following table summarizes the grant award, the amounts disbursed and expended, and the audit adjustment during the audit period (monetary amounts are rounded to the nearest whole dollar):

Fiscal Year	Amount Awarded	Amount Disbursed	Amount Expended	Amount Allowable	Audit Adjustment
2018-19	\$1,521,045	\$507,015	\$322,813	\$20,249	\$302,564
2019-20	0	507,015	472,040	20,942	451,098
2020-21	0	507,015	711,538	26,662	684,876
Total	\$1,521,045	\$1,521,045	\$1,506,391	\$67,853	\$1,438,538

SCHEDULE 2—PROGRAM COSTS BY FISCAL YEAR

July 1, 2018, through June 30, 2019

Program Cost Element	Amount Expended	Amount Allowable	Audit Adjustment	Reference
Direct costs:				
Classified personnel salaries	\$183,521	\$0	\$183,521	Finding
Employee benefits	103,732	0	103,732	Finding
Materials and supplies	1,817	1,817	0	
Travel and conferences	0	0	0	
Non-instructional consultant costs	17,496	17,496	0	
Total direct costs	306,566	19,313	287,253	
Total indirect costs	16,247	936	15,311	Finding
Total program costs	\$322,813	\$20,249	\$302,564	

July 1, 2019, through June 30, 2020

Program Cost Element	Amount Expended	Amount Allowable	Audit Adjustment	Reference
Direct costs:				
Classified personnel salaries	\$278,565	\$0	\$278,565	Finding
Employee benefits	157,026	0	157,026	Finding
Materials and supplies	542	542	0	
Travel and conferences	2,692	2,692	0	
Non-instructional consultant costs	16,995	16,995	0	
Total direct costs	455,820	20,229	435,591	
Total indirect costs	16,220	713	15,507	Finding
Total program costs	\$472,040	\$20,942	\$451,098	

July 1, 2020, through June 30, 2021

Program Cost Element	Amount Expended	Amount Allowable	Audit Adjustment	Reference
Direct costs:				
Classified personnel salaries	\$451,494	\$0	\$451,494	Finding
Employee benefits	210,030	0	210,030	Finding
Materials and supplies	101	101	0	
Travel and conferences	1,260	1,260	0	
Non-instructional consultant costs	25,000	25,000	0	
Total direct costs	687,885	26,361	661,524	
Total indirect costs	23,653	301	23,352	Finding
Total program costs	\$711,538	\$26,662	\$684,876	

FINDING AND RECOMMENDATION

Finding—Disallowed and Unsupported Salaries and Benefits, and Indirect Costs

PUSD claimed \$5,122 in disallowed salaries and \$1,433,416 in unsupported salaries and benefits, and indirect costs for the Proposition 47 Grants Program.

We selected and examined \$228,188, representing 25 percent of the \$913,580 in claimed classified personnel salaries. Based on our examination of these selected salaries, we found that PUSD did not require its program staff to maintain time-accounting documentation or periodic certification associated with the salaries charged to the Proposition 47 Grants Program. PUSD's budget records indicate that these employees worked solely on the Proposition 47 Grants Program. However, without the required documentation, we could not determine that charges to the Proposition 47 Grants Program for salaries were based on records that accurately reflect the work performed, based on actual time spent and effort expended by the Proposition 47 grant-funded employees, or for activities directly related to work under the program, or whether the employees worked solely on Proposition 47 Grants Program activities.

Additionally, PUSD's payroll records indicate that \$5,122 in salaries—\$1,043 reported on July 30, 2019, and \$4,079 reported on August 31, 2020—were improperly charged to the Proposition 47 Grants Program using an incorrect account code. PUSD acknowledged that these salaries were reported in error, as the employee did not work on Proposition 47 Grants Program activities during those periods.

As a result, PUSD claimed \$5,122 in disallowed salaries and \$908,458 in unsupported salaries. We also questioned the associated benefits, totaling \$470,788, and indirect costs, totaling \$54,170.

Criteria

Procedure 905, “Documenting Salaries and Wages,” of CDE’s California State Accounting Manual states, in part:

Salaries and Wages Charged to State Funded Programs

LEAs are required to provide supporting documentation for salaries and wages charged to state restricted programs (resources). Documentation is also required for certain state unrestricted activities, such as when the activity has specific documentation requirements (e.g., state mandated programs), or when salaries and wages are charged to a specific program (goal), or when salaries and wages are split between a direct cost and an indirect cost activity (function).

As with federal programs, the level of documentation needed to charge salaries and wages to a state program or activity is predominantly determined by whether the employee works on a single cost objective or on multiple cost objectives. LEAs must also consider any specific documentation requirements a state program may have, such as if a program requires the use of the state documented method (to be discussed next) or if a program has specific limitations or requirements regarding the type(s) of services provided, such as direct services to students. . . .

The State Documented Method

Salaries and wages paid from state restricted funds must have supporting documentation conforming to either the federal documentation method or the alternative state documented method. For the state documented method to be used, the following criteria must be met:

1. The specific costs would not occur if the program being documented were discontinued.

2. The costs must be supported by auditable documentation, including time reports and contemporaneous records of activities.
3. All parts of the product or service (e.g., a position or service contract) must be documented.

Unless stated otherwise in the guidance following, personnel whose costs are being documented under the state documented method must complete an activity worksheet. . . .

Section II.G.4., “Record Retention,” of CDE’s LCSSP Guidelines states, in part:

Grant recipients shall maintain accounting records and documentation of costs incurred during the grant award period and for five full years from the date of the final grant payment. . . .

Section III.D.1., “Project Coordinator,” of CDE’s LCSSP Guidelines states, in part:

A single LCSSP Project Coordinator **must be identified for each grant** [emphasis in original]. The duties of the LCSSP Project Coordinator may include, but are not limited to:

- a. [Providing] overall coordination of project staff and activities, as well as [providing] direct services to youth.
- b. [Ensuring] that all project funds expended or obligated are allowable costs and in compliance with the approved budget.
- c. [Maintaining] required documentation of project services, activities, accomplishments, and program records. . . .

Recommendation

We recommend that PUSD:

- Strengthen management oversight of the Proposition 47 Grants Program to ensure that all financial and operational activities align with grant requirements. This includes implementing rigorous review processes to verify the accuracy, completeness, and compliance of reimbursement requests before approval.
- Ensure that all labor charges are accurate and justified by confirming that all program staff members maintain accurate and detailed time accounting documentation to substantiate labor costs and comply fully with the grant agreement.
- Implement procedures to ensure that labor costs charged to the Proposition 47 Grants Program are accurate and strictly related to program activities. All labor charges must be supported by sufficient documentation and reviewed post-activity to confirm their eligibility, reasonableness, and alignment with the grant guidelines and program requirements.

PUSD's Response

PUSD acknowledges that the findings in the Prop 47 audit report are accurate. While the District did not maintain time accounting documentation for its program staff at that time, the work performed by the program staff was aligned with the stipulations of the grant.

The District also agrees with the finding of disallowed salaries in the instance where a clerical error was made on timesheets pertaining to extra time worked on a short term basis.

While the District agrees with the State Controller's recommendations resulting from the audit findings, the District's Prop 47 funding expired as of December 31, 2024.

As early as fall of 2022 when the District became aware of this audit, the District immediately conducted an internal assessment of our process and protocols, implemented time certification practices, and strengthened the oversight of the grant funding. This work was completed prior to the end of the 2022- 2023 fiscal year, and aligns to the corrective actions in the SCO audit report.

SCO Comments

Our finding and recommendation remain unchanged. PUSD agreed with the finding and recommendation.