

# **EL RANCHO UNIFIED SCHOOL DISTRICT**

Audit Report

## **PROPOSITION 47 SAFE NEIGHBORHOODS AND SCHOOLS FUND GRANT EXPENDITURES**

*July 1, 2017, through June 30, 2020*



**BETTY T. YEE**  
California State Controller

June 2022



**BETTY T. YEE**  
California State Controller

June 16, 2022

Carolyn Castillo, President  
Board of Education  
El Rancho Unified School District  
9333 Loch Lomond Drive  
Pico Rivera, CA 90660

Dear Ms. Castillo:

Attached is the final report for our audit of the El Rancho Unified School District's Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures for the period of July 1, 2017, through June 30, 2020.

If you have any questions, please contact Michael Reeves, Assistant Division Chief, Division of Audits, by telephone at (916) 323-5849.

Sincerely,

*Original signed by*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

KT/as

cc: Esther Mejia, Vice President  
Board of Education  
El Rancho Unified School District  
Dr. Joseph Rivera, Member  
Board of Education  
El Rancho Unified School District  
Dr. Teresa L. Merino, Member  
Board of Education  
El Rancho Unified School District  
Arlene Perez, Clerk  
Board of Education  
El Rancho Unified School District  
Dr. Frances Esparza, Superintendent  
El Rancho Unified School District  
Dora Soto-Delgado, Director of Student Services  
El Rancho Unified School District  
Lillian Huntенburg, Director of Fiscal Services  
El Rancho Unified School District  
Kareen Quinonez, Senior Bookkeeper  
El Rancho Unified School District  
Jeff Middleton, Mental Health Liaison  
El Rancho Unified School District  
Peter Callas, Director  
Career and College Transition Division  
California Department of Education

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# Audit Report

## Summary

The State Controller's Office (SCO) conducted a performance audit of El Rancho Unified School District's (ERUSD) Proposition 47 Safe Neighborhoods and Schools Fund (SNSF) grant expenditures for the period of July 1, 2017, through June 30, 2020. The purpose of the audit was to ensure that program funds were disbursed and expended in accordance with program guidelines and grant requirements, as required by Government Code (GC) section 7599.2(c), and applicable laws and regulations.

We verified that during the period of July 1, 2017, through June 30, 2020, the California Department of Education (CDE) awarded ERUSD with \$1,155,134 in Proposition 47 SNSF grant funds. For the same period, ERUSD's grant expenditures were \$884,239, comprised of \$762,859 in allowable costs and \$121,380 in unallowable costs (see the Schedule).

Our audit found that ERUSD did not expend \$121,380 of the Proposition 47 SNSF grant funds in accordance with the grant agreement.

Specifically, ERUSD used grant funds to continue funding an existing after-school program at a high school instead of expanding the after-school program to a middle school, as indicated in the grant agreement, resulting in unallowable subcontractor costs of \$119,061 and unallowable associated indirect costs of \$2,319.

Except as noted above, ERUSD grant expenditures were in compliance with applicable laws, regulations, program guidelines, and the grant agreement.

## 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 non-violent 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 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 grades K through 12, increase victims' services grants, and support substance abuse and mental health treatment and diversion programs for people in the criminal justice system.

### El Rancho Unified School District

ERUSD is located in the urban community of Pico Rivera in Southeast Los Angeles County. The district comprises eight elementary schools, four middle schools, one senior high school, and one continuation high school.

In fiscal year (FY) 2017-18, the CDE awarded a Proposition 47 SNSF grant for \$1,155,134 to ERUSD, through a request for application bid process. The grant funding period was from July 1, 2017, through June 30, 2020.

ERUSD used its Proposition 47 SNSF grant to support the California Learning Communities for School Success Program (LCSSP), which identifies and implements evidence-based, non-punitive education programs and practices to keep the most vulnerable students in school. All 14 ERUSD school sites, serving 8,716 students during the 2017-18 school year, were direct recipients of the program services.

CDE's *California Learning Communities for School Success Program: Program Support Grant Application and Guidelines* (LCSSP Guidelines) prescribed the program requirements for grants awarded between July 1, 2017, and June 30, 2020.

Due to the COVID-19 pandemic, CDE sent a Grant Award Notification to ERUSD's superintendent in April 2020, informing her that the award ending date for the California LCSSP was to be extended from June 30, 2020, to December 31, 2020.

## **Audit Authority**

The legal authority to conduct this audit is provided by GC section 7599.2(c), which requires the Controller, every two years, to conduct an audit of the Proposition 47 SNSF Grants Program operated by CDE "to ensure the funds are disbursed and expended solely according to this chapter" and to "report his or her findings to the Legislature and the Public."

In addition, GC section 12410 states, in part:

The Controller shall superintend the fiscal concerns of the state. 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.

## **Objective, Scope, and Methodology**

The objective of our audit was to ensure that ERUSD adequately accounted for Proposition 47 SNSF grant funds expenditures, and that its Program funds were disbursed and expended in accordance with program guidelines and grant requirements and as required by GC section 7599.2(c) for the period of July 1, 2017, through June 30, 2020.

To achieve our objective, we performed the following procedures:

- We identified the Proposition 47 SNSF Grants Program background, criteria, purpose, and requirements by reviewing the FY 2016-17 Governor's Budget, 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 ERUSD's Proposition 47 SNSF grant files, grant agreements, program guidelines, program requirements, and claimed invoices.

- We reviewed ERUSD’s claimed grant expenditures and performed analytical procedures and budgetary analysis to identify material cost components of each claim, any errors, and any unusual or unexpected variances.
  - We interviewed ERUSD key personnel, completed internal control questionnaires, reviewed written internal policies and procedures, identified controls related to the audit objective, and performed a limited walk-through of critical controls in order to gain a general understanding of ERUSD’s internal controls related to the Proposition 47 SNSF Grants Program, such as accounting, timekeeping, procurement, and procedures performed by staff when preparing, reviewing, and approving grant expenditures; monitoring the grants Program; and recording disbursements and expenditures in the ERUSD financial management system.
  - We assessed ERUSD’s internal controls related to the Proposition 47 SNSF Grants Program by reviewing policies and procedures, guidelines, grant agreements, contracts, expenditure reports and supporting documents; and conducted limited tests of those controls related to the audit objective in order to determine whether the controls were functioning as intended; and whether ERUSD was in compliance with written internal policies and procedures, applicable provisions of laws, regulations, and established criteria.
  - We verified that, during the audit period, CDE awarded ERUSD with \$1,155,134 in Proposition 47 SNSF grant funds. In addition, verified that ERUSD expended \$884,239 in Proposition 47 SNSF grant funds (\$270,012 in FY 2017-18, \$368,090 in FY 2018-19, and \$246,137 in FY 2019-20).
  - We conducted a risk assessment and reviewed internal controls for Proposition 47 SNSF grants expenditures to determine the nature, timing, and extent of substantive testing.
  - To reduce audit risk, we tested sample transactions, traced those transactions to supporting documentation, and performed analytical procedures and budgetary analysis:
    - We used a judgmental (non-statistical) sampling approach to select samples that supported our audit conclusions, and to ensure that the samples selected were representative of the population and provided sufficient, appropriate evidence.
    - We also 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.
  - ERUSD claimed program costs totaling \$884,239 for the audit period. We tested \$308,178 of \$733,824 from three cost categories as follows:
    - Salaries and wages – We tested \$172,299 (or 59%) of \$290,560.
    - Subcontractor costs – We tested \$131,626 (or 30%) of \$435,999.
    - Travel/conference costs – We tested \$4,253 (or 59%) of \$7,265.
- Errors found, if any, were not projected to the intended (total) population.

We did not examine the information-system controls or the economy, efficiency, or effectiveness of the program. Our audit of the program was related solely to program expenditures as required by GC section 7599.2(c).

We did not audit ERUSD’s financial statements. We limited our audit scope to planning and performing audit procedures necessary to achieve our audit objective. In addition, our review of internal control was limited to gaining an understanding of the transaction flows and financial-management accounting system, and performing limited tests of controls regarding ERUSD’s ability to accumulate and segregate reasonable and allowable program costs.

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**

We verified that during the period of July 1, 2017, through June 30, 2020, CDE awarded ERUSD with \$1,155,134 in Proposition 47 SNSF grant funds. Our audit found that ERUSD expended \$121,380 of Proposition 47 SNSF grant funds to continue an existing after-school program instead of expanding the program to a middle school, as required by the grant agreement.

The finding is quantified in the Schedule and described in the Finding and Recommendation section of this report.

Except as noted above, ERUSD grant expenditures claimed were in compliance with applicable laws, regulations, program guidelines, and the grant agreement.

**Follow-up on  
Prior Audit  
Findings**

There have been no prior audits of ERUSD’s Proposition 47 SNSF Grants Program; therefore, we did not perform any follow-up activity.

**Views of  
Responsible  
Officials**

We issued a draft audit report on January 21, 2022. Dr. Frances Esparza, Superintendent, El Rancho Unified School District, responded by letter dated January 28, 2022, disagreeing with the audit results. This final audit report includes ERUSD’s response as an Attachment.



**Restricted Use**

This audit report is intended for the information and use of ERUSD, the 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 audit report, which is a matter of public record and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

June 16, 2022

**Schedule—**  
**Summary of Grant Awards, Amounts Disbursed and**  
**Expended, and Audit Adjustments**  
**July 1, 2017, through June 30, 2020**

Program Cost Element	SNSF Grant Awarded <sup>1</sup>	SNSF Grant Disbursed <sup>1</sup>	SNSF Grant Expended <sup>1</sup>	Allowable per Audit <sup>1</sup>	Audit Adjustments <sup>1</sup>	Reference <sup>2</sup>
<b>FY 2017-18</b>						
El Rancho Unified School District	\$ 1,155,134	N/A	N/A	N/A	N/A	
<b>Total for FY 2017-18</b>	<b>\$ 1,155,134</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>FY 2017-18</b>						
El Rancho Unified School District	N/A	\$ 385,045	N/A	N/A	N/A	
Salaries and Wages / Certificated						
Personnel Salaries	N/A	N/A	N/A	N/A	N/A	
Salaries and Wages / Classified						
Personnel Salaries	N/A	N/A	42,770	42,770	N/A	
Fringe Benefits	N/A	N/A	24,587	24,587	N/A	
Other Supplies	N/A	N/A	753	753	N/A	
Materials and Supplies	N/A	N/A	N/A	N/A	N/A	
Marketing Supplies	N/A	N/A	N/A	N/A	N/A	
Technology Supplies	N/A	N/A	N/A	N/A	N/A	
Subcontracted Services	N/A	N/A	118,674	92,453	26,222	Finding
Contracted Services	N/A	N/A	75,000	50,000	25,000	Finding
Mileage and Car Allowances	N/A	N/A	N/A	N/A	N/A	
Travel and Conferences	N/A	N/A	N/A	N/A	N/A	
Indirect Costs	N/A	N/A	8,229	6,791	1,438	Finding
<b>Total for FY 2017-18</b>	<b>N/A</b>	<b>\$ 385,045</b>	<b>\$ 270,012</b>	<b>\$ 217,353</b>	<b>\$ 52,659</b>	
<b>FY 2018-19</b>						
El Rancho Unified School District	N/A	\$ 385,045	N/A	N/A	N/A	
Salaries and Wages / Certificated						
Personnel Salaries	N/A	N/A	118,041	118,041	N/A	
Salaries and Wages / Classified						
Personnel Salaries	N/A	N/A	59,817	59,817	N/A	
Fringe Benefits	N/A	N/A	56,007	56,007	N/A	
Other Supplies	N/A	N/A	N/A	N/A	N/A	
Materials and Supplies	N/A	N/A	N/A	N/A	N/A	
Marketing Supplies	N/A	N/A	N/A	N/A	N/A	
Technology Supplies	N/A	N/A	N/A	N/A	N/A	
Subcontracted Services	N/A	N/A	35,000	35,000	N/A	
Contracted Services	N/A	N/A	75,699	60,360	15,339	Finding
Mileage and Car Allowances	N/A	N/A	438	438	N/A	
Travel and Conferences	N/A	N/A	3,377	3,377	N/A	
Indirect Costs	N/A	N/A	19,712	18,831	881	Finding
<b>Total for FY 2018-19</b>	<b>N/A</b>	<b>\$ 385,045</b>	<b>\$ 368,090</b>	<b>\$ 351,870</b>	<b>\$ 16,220</b>	

### Schedule (continued)

Program Cost Element	SNSF Grant Awarded <sup>1</sup>	SNSF Grant Disbursed <sup>1</sup>	SNSF Grant Expended <sup>1</sup>	Allowable per Audit <sup>1</sup>	Audit Adjustments <sup>1</sup>	Reference <sup>2</sup>
<b>FY 2019-20</b>						
El Rancho Unified School District	N/A	\$ 385,044	N/A	N/A	N/A	
Salaries and Wages / Certificated						
Personnel Salaries	N/A	N/A	525	525	N/A	
Salaries and Wages / Classified						
Personnel Salaries	N/A	N/A	69,407	69,407	N/A	
Fringe Benefits	N/A	N/A	30,390	30,390	N/A	
Other Supplies	N/A	N/A	7,112	7,112	N/A	
Materials and Supplies	N/A	N/A	680	680	N/A	
Marketing Supplies	N/A	N/A	30	30	N/A	
Technology Supplies	N/A	N/A	2,916	2,916	N/A	
Subcontracted Services	N/A	N/A	62,501	35,000	27,501	Finding
Contracted Services	N/A	N/A	69,125	44,125	25,000	Finding
Mileage and Car Allowances	N/A	N/A	N/A	N/A	N/A	
Travel and Conferences	N/A	N/A	3,450	3,450	N/A	
Indirect Costs	N/A	N/A	N/A	N/A	N/A	
<b>Total for FY 2019-20</b>	<b>N/A</b>	<b>\$ 385,044</b>	<b>\$ 246,137</b>	<b>\$ 193,636</b>	<b>\$ 52,501</b>	
<b>Grand Total</b>	<b>\$ 1,155,134</b>	<b>\$ 1,155,134</b>	<b>\$ 884,239</b>	<b>\$ 762,859</b>	<b>\$ 121,380</b>	

1 Numbers rounded to the nearest whole dollar.  
 2 See the Finding and Recommendation section.

# Finding and Recommendation

## **FINDING— Unallowable Subcontractor Costs**

ERUSD did not expend Proposition 47 SNSF Grants Program funds in accordance with the approved Project Work Plan of the grant agreement. As a result, subcontractor and associated indirect costs in the amounts of \$119,061 and \$2,319 are unallowable.

The LCSSP grant application approved by the CDE in June 2017 specifically states that because the after-school program offered by the Boys and Girls Club to El Rancho High School (High School) was successful, the district would use Proposition 47 grant funding to expand its partnership with the club to offer program services to North Park Middle School (Middle School) students. Our review of Board Minutes for FY 2017-18 through FY 2019-20 revealed that the Board approved a Memorandum of Understanding between ERUSD and the Boys and Girls Club.<sup>1</sup> However, the approved Memorandum of Understanding was for services offered only to students in grades 9–12 at the High School, and not to students in grades 6–8 at the Middle School.

ERUSD did not expand or enhance the existing program services to the middle school students as required by the approved Project Work Plan during the grant period. ERUSD’s resources to fund the existing after-school program at the High School were depleted and, as a result, ERUSD used Proposition 47 grant funding to fund the existing after-school program at the High School instead of offering the program at the Middle School. ERUSD did not receive prior written permission from CDE for these changes to the approved grant application.

Furthermore, our review determined that ERUSD program staff did not review reimbursement requests for completeness, accuracy, and compliance with the grant agreement in order to verify that billed invoices were eligible and supported by sufficient documentation. ERUSD did not obtain sufficient documentation, such as timesheets or payroll registers, during invoice review. ERUSD obtained only attendance logs, which do not correlate to the invoices. It appears that ERUSD paid the billed invoices as they were presented, without exercising due diligence in obtaining and reviewing invoices for completeness, accuracy, and whether the costs were in compliance with the grant agreement and program guidelines.

### Criteria

ERUSD’s 2017-2020 Grant Application (“Narrative,” p. 22) states, in part:

ERUSD will contract with the Boys & Girls Club of Pico Rivera to create a Boys & Girls Club for middle school students. The Boys & Girls Club of Pico Rivera, founded in 2015 under the City of Pico Rivera’s California Gang Reduction and Intervention Program grant, currently serves youth in grades 9-12. LCSSP funding will allow us to expand this successful program to at-risk students in grades 6-8. . . . The Boys and Girls Club of Pico Rivera (B&GC) will create and facilitate a Boys and

<sup>1</sup> We reviewed board minutes for the Memorandum of Understanding approval meeting on January 15, 2018; and for meetings on June 19, 2018, and May 21, 2019.

Girls Club Program at North Park Middle School, which will provide services to at-risk youth in grades 6-8. . . .

Education Code section 41020(a) states:

It is the intent of the Legislature to encourage sound fiscal management practices among local educational agencies for the most efficient and effective use of public funds for the education of children in California by strengthening fiscal accountability at the school district, county, and state levels.

Section II., sub-section F.2., “Non-Allowable Grant Fund Expenditures,” of CDE’s LCSSP Guidelines states, in part:

Grant funds are intended to complement and enhance existing programs and must not be used to supplant other local or state funds now being used for existing staff or activities. Funds cannot be transferred to any other program account.

Section II., sub-section 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., sub-section D.1., “Project Coordinator,” of CDE’s LCSSP Guidelines states, in part:

1. A single LCSSP Project Coordinator must be identified for each grant. The duties of the LCSSP Project Coordinator may include, but are not limited to:
  - a. Provide overall coordination of project staff and activities, as well as provide direct services to youth.
  - b. Ensure that all project funds expended or obligated are allowable costs and in compliance with the approved budget.
  - c. Maintain required documentation of project services, activities, accomplishments, and program records. . . .

Section II., sub-section G.2, “Budget Revisions,” of CDE’s LCSSP Guidelines states:

All grantees agree to utilize funds in support of their approved work plan as described in their approved budget. Budget changes for any fiscal year must be submitted prior to the end of that fiscal year. Budget amendments of more than 10 percent of any line item must be pre-approved and submitted in a written request to the CDE.

Section II., sub-section H.2., “Learning Communities for School Success Program Assurances,” of CDE’s LCSSP Guidelines states, in part:

The applicant LEA [local educational agency] must agree to the following LCSSP assurances:

Expend grant funds based on the approved program grant application or written permission received from the CDE prior to implementing changes to the approved program application.

### Recommendation

We recommend that ERUSD:

- Provide adequate management oversight of the Proposition 47 SNSF Grants Program;
- Ensure that all subcontractor costs charged to the Proposition 47 SNSF Grants Program are program-related, eligible, allowable, supported, reasonable, and in accordance with the grant agreement and program requirements;
- Make necessary accounting corrections for the subcontractor costs of \$119,061 and associated indirect costs of \$2,319; and
- Reimburse subcontractor costs of \$119,061 and indirect costs of \$2,319 to CDE's Proposition 47 SNSF Grants Program.

### ERUSD's Response

ERUSD's LCSSP grant program included funds to expand the Boys & Girls Club to middle school students. Upon grant award (July 2017) we were waiting for direction from the Boys & Girls Club to begin that program. Towards the end of November/beginning of December 2017, we were informed by the Boys & Girls Club that they had not been able to secure private funding to sustain the program at the high school (funded by CalGRIP [California Gang Reduction, Intervention and Prevention Program grant] from the city of Pico Rivera) that would end operations on December 31, 2021. Neither the city of Pico Rivera nor the El Rancho Unified School District was able to absorb the costs for this program with operating funds.

In December 2017, ERUSD had a phone conversation with Tissy Simmons, our LCSSP grant contact, and informed her of the situation with the Boys & Girls Club. ERUSD's high school students represented a larger at-risk population with risk factors that would be directly addressed by the Boys & Girls Club, than the middle school population. The program at El Rancho High School would be offered to all ERUSD students in grades 9 through 12, where the Boys & Girls Club was limited through the CalGRIP grant to students involved with juvenile gang activity. ERUSD was informed that we would not have to submit a budget modification as the change in population served did not have an impact on the budget.

### SCO Comment

Our finding and recommendation remain unchanged.

Although ERUSD asserted that it received verbal approval from CDE, which we could not verify, ERUSD should have received written permission from CDE prior to implementing the changes. CDE's LCSSP Guidelines states that applicants must expend grant funds based on their approved program grant applications or written permission received from the CDE prior to implementing changes to the approved program applications.

**Attachment—  
El Rancho Unified School District’s  
Response to Draft Audit Report**

---



## EL RANCHO UNIFIED SCHOOL DISTRICT

9333 Loch Lomond Drive, Pico Rivera, California 90660

BOARD OF EDUCATION  
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Esther Mejia  
Teresa L. Merino, Ph.D.  
Arlene Perez  
Joseph Rivera, Ed.D.

SUPERINTENDENT  
Frances Fenuzza, Ed.D.

January 28, 2022

Mr. Andrew Finlayson  
Chief, State Agency Audits Bureau  
State Comptroller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, California 94250

Via E-mail: [afinlayson@sco.ca.gov](mailto:afinlayson@sco.ca.gov)

RE: Draft audit report for the El Rancho Unified School District's Proposition 47 Safe Neighborhoods and Schools Fund grant expenditures for the period of July 1, 2017, through June 30, 2020.

Dear Mr. Finlayson:

Please find this letter as El Rancho Unified School District's response to the draft audit report that was emailed to the district on January 21, 2022.

We do not agree with the draft findings that the El Rancho Unified School District (ERUSD) did not expend \$121,380 of the Proposition 47 SNSF grant funds in accordance with the grant agreement as ERUSD received permission from the California Department of Education to change the population to be served from middle school students to high school students.

ERUSD submitted the application to receive LCSSP funding at the beginning of May 2017. At the time of submission, the Boys & Girls Club operated at El Rancho High School through funding from the city of Pico Rivera's California Gang Resistance and Education Program grant (CalGRIP). This grant program afforded the creation and operation of a Boys & Girls Club in the city of Pico Rivera and was very successful in providing programs and intervention to reduce youth gang activity and involvement. The Boys & Girls Club had committed to securing private funding to continue this program after funds for the CalGRIP grant expired December 31, 2017. Consequently, ERUSD included funds in the grant application to expand this successful program to at-risk middle school students.

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<b>Dora Soto-Delgado</b> Director Student Support Services	<b>ADMINISTRATION</b> <b>Dean Cochran</b> Director Special Education	<b>Roberta Gonzalez</b> Director Early Learning Program	
<b>Jazmin Chavez-Diaz</b> Director Secondary Education	<b>Gisela Castañon</b> Director Elementary Education	<b>Marianne Sarrail</b> Chief Business Officer Business Services	<b>Mark Matthews</b> Interim Director Human Resources



ERUSD's LCSSP grant program included funds to expand the Boys & Girls Club to middle school students. Upon grant award (July 2017) we were waiting for direction from the Boys & Girls Club to begin that program. Towards the end of November/beginning of December 2017, we were informed by the Boys & Girls Club that they had not been able to secure private funding to sustain the program at the high school (funded by CalGRIP from the city of Pico Rivera) that would end operations on December 31, 2021. Neither the city of Pico Rivera, nor the El Rancho Unified School District was able to absorb the costs for this program with operating funds.

In December 2017, ERUSD had a phone conversation with Tissy Simmons, our LCSSP grant contact and informed her of the situation with the Boys & Girls Club. ERUSD's high school students represented a larger at-risk population with risk factors that would be directly addressed by the Boys & Girls Club, than the middle school population. The program at El Rancho High School would be offered to all ERUSD students in grades 9 through 12, where the Boys & Girls Club was limited through the CalGrip grant to students involved with juvenile gang activity. ERUSD was informed that we would not have to submit a budget modification as the change in population served did not have an impact on the budget.

ERUSD's annual progress report for 2018 includes language that describes this change (see attached).

The decision to continue to support 9-12 grade students is not supplanting. Funds for the original program were provided by the city of Pico Rivera, through the state's CalGRIP grant program. The Boys & Girls Club ceased to exist in Pico Rivera in December 2017 when the grant ended. ERUSD's contract with the Boys & Girls Club began in January 2018 with funds from the LCSSP grant program.

Your consideration is greatly appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Frances Esparza', is written over the typed name.

Frances Esparza, Superintendent  
El Rancho Unified School District

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250**

**<http://www.sco.ca.gov>**